



Andean
resources

TSX: AND ASX: AND
A.B.N. 66 064 494 319

ISSUE OF ANDEAN SCHEME BOOKLET AND CONVENING OF THE SCHEME MEETING

29 October 2010

On 3 September 2010, Andean Resources (**ASX/TSX: AND**) (**Andean**) entered into a Merger Implementation Agreement with Goldcorp Inc. (**Goldcorp**) pursuant to which Goldcorp agreed to acquire all the outstanding shares of Andean through a Scheme of Arrangement (**Scheme**).

Today the Federal Court of Australia approved the issue of the Andean Scheme Booklet and ordered the convening of a meeting of shareholders of Andean to consider the Scheme (**Scheme Meeting**). The Scheme Meeting will be held at 10.00am on 3 December 2010 at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia. Andean's Annual General Meeting will be held on the same date, at 10.30am or immediately following the Scheme Meeting, whichever is later.

Under the Scheme, Andean shareholders can elect to receive their consideration in one of three alternative forms: C\$6.50 in cash (subject to scale back if the total cash pool of C\$1 billion is exceeded) for each of their Andean shares, 0.14 of a Goldcorp share for each of their Andean shares, or C\$6.50 in cash (subject to scale back if the total cash pool of C\$1 billion is exceeded) for a portion of their Andean shares and 0.14 of a Goldcorp share for the remainder of their Andean shares.

The Scheme Booklet

The Scheme Booklet, a copy of which will be released to ASX and SEDAR and available on Andean's website, will be mailed to Andean shareholders on or about 2 November 2010.

Andean shareholders should carefully read the Scheme Booklet in its entirety and the materials accompanying it before deciding whether or not to vote in favour of the Scheme and whether to elect to receive their consideration in cash (subject to scale back), in Goldcorp shares, or a combination of cash and Goldcorp shares.

Directors' Recommendation and Support

The Andean Directors have carefully considered the Scheme and unanimously recommend that, in the absence of a superior proposal, Andean shareholders vote in favour of the Scheme. Each of the Andean Directors intends to vote all Andean shares held by them in favour of the Scheme.

Independent Expert

The Independent Expert, Grant Samuel & Associates Pty Limited, has concluded that the Scheme is fair and reasonable and in the best interests of Andean shareholders. The Independent Expert's Report is contained in Annexure A of the Scheme Booklet.

Support of Sentient

Sentient, Andean's largest shareholder, holding approximately 20.5% of the Andean shares on issue as at the date of the Scheme Booklet, has entered into a call option agreement with Goldcorp in respect of 107,909,316 Andean shares held by Sentient (representing approximately 19.7% of the Andean shares on issue as at the date of the Scheme Booklet).

Separately, Sentient has advised Andean that it intends to vote its Andean shares in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert continuing to conclude, that the Scheme is in the best interests of shareholders.

Andean Shareholder Information Line

If shareholders have any questions about the Merger, the Scheme or the Scheme Meeting, they should contact:

- in North America by telephone at 1-888-518-1561 (toll free);
- outside of North America by telephone at +1-416-867-2272;
- in Australia by telephone at 1300 748 255 (toll free); or
- by email at contactus@kingsdaleshareholder.com.

FOR FURTHER INFORMATION CONTACT:

Krista Muhr

Vice President, Investor Relations

In North America: +1.647.330.1478

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Andean Resources Limited

200 Civic Center Drive

suite 300

Sandy, UT 84070

USA



Scheme Booklet

for a scheme of arrangement implementing the proposed merger
between Andean Resources Limited and Goldcorp Inc.

Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme.

The notice of Scheme Meeting is set out in **Annexure I** to this Scheme Booklet.

The notice of Annual General Meeting is set out in **Annexure J** to this Scheme Booklet.

This document is important and requires your immediate attention. You should read the document before you decide whether to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Financial Adviser to Andean
BMO Capital Markets



Canadian Legal Adviser to Andean
Fraser Milner Casgrain LLP



Australian Legal Adviser to Andean
Corrs Chambers Westgarth



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Important notices

Date of this Scheme Booklet

This Scheme Booklet is dated 1 November 2010.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet are defined in the Glossary at the end of this Scheme Booklet. The Glossary also sets out some rules of interpretation which apply to this Scheme Booklet.

Explanatory statement

This Scheme Booklet includes the explanatory statement for the Scheme required by section 412(1) of Part 5.1 of the Corporations Act. The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which it will be implemented (if approved) and to provide information material to your decision whether to vote in favour of the Scheme.

This Scheme Booklet also includes the AGM Explanatory Statement and Management Information Circular for the Annual General Meeting.

Read this document

This Scheme Booklet is important. You should carefully read this Scheme Booklet before making a decision about how to vote on the resolutions to be considered at the Scheme Meeting.

No investment advice

The information contained in this Scheme Booklet does not constitute financial product advice and has been prepared without reference to individual investment objectives, financial situation, taxation position or particular needs. It is important that you read this Scheme Booklet before making any decision, including a decision on whether or not to vote in favour of the Scheme. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Responsibility for information

The Andean Information has been prepared by Andean and is the responsibility of Andean.

The Goldcorp Information has been prepared by Goldcorp and is the responsibility of Goldcorp.

Grant Samuel has prepared, and is responsible for, the Independent Expert's Report contained in **Annexure A** of this Scheme Booklet. None of Andean, Goldcorp, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Expert's Report.

Deloitte has prepared, and is responsible for, the Investigating Accountant's Report contained in **Annexure B** of this Scheme Booklet. None of Andean, Goldcorp, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Investigating Accountant's Report.

AMC Consultants has prepared, and is responsible for, the Independent Technical Specialist's Report contained in **Annexure C** of this Scheme Booklet. None of Andean, Goldcorp, their respective Related Bodies Corporate or the directors, officers, employees or advisers of any of those entities assumes any responsibility for the accuracy or completeness of the Independent Technical Specialist's Report.

Role of ASIC, ASX, TSX, NYSE and the Court

A copy of this Scheme Booklet has been given to ASIC in accordance with section 411(2) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides the statement, then it will be produced to the Court at the time of the Second Court Date. Neither ASIC nor any of its officers

take any responsibility for the accuracy or completeness of this Scheme Booklet. A copy of this Scheme Booklet has been lodged with ASX. Neither ASX, nor any of its officers take any responsibility for the accuracy or completeness of this Scheme Booklet.

A copy of this Scheme Booklet has been filed with the TSX and on SEDAR with applicable Canadian securities regulatory authorities. The Scheme has not been approved or disapproved by the TSX or any Canadian securities regulatory authority, nor has the TSX or any Canadian securities regulatory authority passed on the fairness or merits of the Scheme or upon the accuracy or adequacy of the information contained in this Scheme Booklet and any representation to the contrary is unlawful. Neither the TSX nor any of its officers take any responsibility for the accuracy or completeness of this Scheme Booklet.

A copy of the Scheme Booklet has been provided to the NYSE. The Scheme has not been approved or disapproved by the NYSE, nor has the NYSE passed on the fairness or merits of the Scheme or upon the accuracy or adequacy of the information contained in the Scheme Booklet and any representation to the contrary is unlawful. Neither the NYSE nor any of its officers take any responsibility for the accuracy or completeness of the Scheme Booklet.

Important notice associated with the Court order under subsection 411(1) of the Corporations Act

A copy of this Scheme Booklet has been submitted to the Court to obtain an order of the Court approving the convening of the Scheme Meeting.

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the notice of the meeting does not mean that the Court:

- (a) has formed any view as to the merits of the proposed scheme or as to how you should vote (on this matter, you must reach your own decision); or
- (b) has prepared, or is responsible for the content of, the explanatory statement.

Notice to Shareholders in jurisdictions outside Australia, New Zealand, the United States and Canada

This Scheme Booklet complies with Australian and Canadian disclosure requirements, and Australian and Canadian accounting standards. These disclosure requirements and accounting standards may be different to those in other countries.

Restrictions in jurisdictions outside Australia and its external territories, New Zealand, the United States of America or Canada may make it impractical or unlawful for New Goldcorp Shares to be issued under the Scheme to, or received under the Scheme by, Shareholders in those jurisdictions. Shareholders recorded on the share register as having an address outside Australia and its external territories, New Zealand, the United States and Canada should refer to **section 5.2k** of this Scheme Booklet for more information.

This Scheme Booklet and the Scheme do not constitute an offer of securities in any place in which, or to any person whom, it would not be lawful to make such an offer.

Shareholders who are subject to taxation outside Australia should consult their taxation adviser as to the applicable tax consequences of the Merger.

Notice to Shareholders in the United States

The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of section 14(a) of the US Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the US Exchange Act. Accordingly, this Scheme Booklet has been prepared in accordance with disclosure requirements applicable in Australia and Canada. Andean Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the US Securities Act and to proxy statements under the US Exchange Act.

The financial information relating to Andean included or incorporated by reference in this Scheme Booklet has been prepared in accordance with A-IFRS and is subject to Australian auditing and auditor independence standards and thus may not be comparable to financial statements of United States companies.

The financial information relating to Goldcorp included or incorporated by reference in this Scheme Booklet have been prepared in accordance with Canadian GAAP and is subject to Canadian auditing and auditor independence standards and thus may not be comparable to financial statements of United States companies.

Andean Shareholders who are resident in, or citizens of, the United States are advised to review the summary under “*Certain US taxation considerations*” and to consult their own tax advisors to determine the particular United States tax consequences to them of the Scheme in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Exemption from United States registration requirements

The New Goldcorp Shares to be issued under the Scheme have not been and will not be registered under the US Securities Act or applicable state securities laws.

Goldcorp and Andean intend to rely on an exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) of that Act in connection with the implementation of the Scheme and the issue of New Goldcorp Shares and intend to rely on exemptions from registration under applicable state securities laws. Approval of the Scheme by the Court will be relied upon by Goldcorp and Andean and constitute the basis for the New Goldcorp Shares to be issued without registration under the US Securities Act in reliance upon the exemption from the registration requirements of the US Securities Act provided in Section 3(a)(10).

THIS SCHEME BOOKLET HAS NOT BEEN PREPARED IN ACCORDANCE WITH UNITED STATES SECURITIES LAWS AND REGULATIONS AND NONE OF THE SEC, ANY US STATE SECURITIES COMMISSION OR ANY OTHER US REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED THE SECURITIES ISSUABLE IN CONNECTION WITH THE SCHEME NOR HAVE ANY OF THEM PASSED UPON OR ENDORSED THE MERITS OF THE SCHEME OR THE ACCURACY, ADEQUACY OR COMPLETENESS OF THIS SCHEME BOOKLET. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Andean and Goldcorp are incorporated or organised outside the United States, that some or all of their respective officers and directors and the experts named in this Scheme Booklet are residents of a foreign country, and that all or a substantial portion of the assets of Andean and Goldcorp and said persons are located outside the United States. As a result, it may be difficult or impossible for

US Shareholders to effect service of process within the United States upon Andean or Goldcorp, their respective officers or directors or the experts named in this Scheme Booklet, or to realise against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. In addition, US Shareholders should not assume that the courts of Canada or Australia: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States. See **section 11.10** of this Scheme Booklet for further information.

Forward looking statements

Certain statements in this Scheme Booklet are about future matters, including forward looking statements and information within the meaning of US securities legislation and the US Private Securities Litigation Reform Act of 1995. These forward looking statements and information, including statements and information relating to the Combined Group and the transactions contemplated by the Merger Implementation Agreement, are not based solely on historical facts, but rather reflect the current expectations of Andean or, in relation to the Goldcorp Information, Goldcorp, concerning future results and events. These statements may sometimes be identified by the use of forward looking words or phrases such as if, when, believe, aim, will, expect, anticipate, intend, foresee, likely, should, could, plan, may, estimate, budget, forecast, envisage, target, potential or other similar words or phrases. Similarly, statements that describe Andean's or Goldcorp's objectives, plans, goals or expectations, estimates of reserves and resources, and future costs are or may be forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Andean, Goldcorp or the Combined Group 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 Andean, Goldcorp and the Combined Group 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 risk, 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. See **section 10** of this Scheme Booklet for a discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements and information should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them.

You should note that the historical performance of Andean and Goldcorp is no assurance of their or the Combined Group's future financial performance. Neither Andean, Goldcorp and their respective directors, nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements and information in this Scheme Booklet will actually occur.

The forward looking statements and information in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under law, Andean, Goldcorp and their respective directors disclaim any obligation or undertaking to disseminate after the date of this Scheme Booklet any updates or revisions to any forward looking statements and information to reflect any change in expectations in relation to them or any change in the events, conditions or circumstances on which they are based.

Mineral reserves and mineral resources

Goldcorp's and Andean's disclosure of mineral reserve and mineral resource information is governed by NI 43-101 and CIM Standards. Andean's disclosure of mineral reserve and mineral resource information is also based on the reporting requirements of the JORC Code.

The Independent Technical Specialist would not expect that statements of mineral resources and mineral reserves prepared in accordance with the CIM definitions applicable under NI 43-101 would be materially different if prepared in accordance with the JORC Code. The Independent Technical Specialist has not made independent review of the Goldcorp mineral reserve and mineral resource information.

There can be no assurance that those portions of such mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Cautionary note to US Shareholders concerning estimates of Measured, Indicated and Inferred Resources

This Scheme Booklet uses the terms "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource". US Shareholders are advised that while such terms are recognised and required by Canadian and Australian standards or regulations, the SEC does not recognise them. In particular, and without limiting the generality of this cautionary note, the term "resource" does not equate to the term "reserve", and the term "reserve" and its use in this Scheme Booklet is not the same as the term "reserve" under SEC Industry Guide 7. As such, certain information contained in this Scheme Booklet concerning descriptions of mineralisation and resources under NI 43-101, CIM Standards and the JORC Code are not comparable to disclosures made by US reporting companies. "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 Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian and Australian 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, Inferred 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.**

Disclosure of "contained ounces" is permitted disclosure under Canadian and Australian regulations; however, the SEC normally only permits issuers to report mineralisation that does not constitute reserve as in place tonnage and grade without reference to unit measures.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet, including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures set out in this Scheme Booklet, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Currency

All references in this Scheme Booklet to:

- "A\$", "AUD", "Australian dollars" and "cents" are to Australian currency;
- "C\$", "CAD" and "Canadian dollars" are to Canadian currency; and
- "US\$", "USD" and "US dollars" are to United States currency.

Privacy and personal information

Andean and Goldcorp will need to collect personal information to implement the Merger. The personal information may include the names, contact details and details of shareholdings of Shareholders together with contact details of individuals appointed by Shareholders as proxies, body corporate representatives or attorneys at the Scheme Meeting. The collection of some of this information is required or authorised by the Corporations Act.

Shareholders who are individuals, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and may contact the Australian or Canadian Registry if they wish to exercise those rights.

The information may be disclosed to print and mail service providers, and to Andean and Goldcorp and their respective advisers and agents to the extent necessary to effect the Scheme. If the information outlined above is not collected, Andean may be hindered in, or prevented from, conducting the Scheme Meeting or implementing the Merger effectively, or at all.

Shareholders who appoint an individual as their proxy, body corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

Persons are entitled, under section 173 of the Corporations Act, to inspect and copy Andean's Share Register. This register contains personal information about Shareholders.

If you have any questions in relation to the Merger, Scheme or the Scheme Meeting please contact the Andean Shareholder Information Line:

- In North America by telephone at 1-888-518-1561 (TOLL FREE);
- Outside of North America by telephone at +1-416-867-2272;
- In Australia by telephone at 1300 748 255 (TOLL FREE); OR
- By email at contactus@kingsdaleshareholder.com;

Or consult your legal, investment, taxation or other professional adviser.

A copy of this Scheme Booklet can be found on Andean's website at andean.com.au, under Andean's profile on SEDAR at sedar.com and ASX at asx.com.au.

Letter from the Chairman of Andean



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Dear Andean Shareholder,

On 3 September 2010, Andean Resources Limited (**Andean**) announced an agreement in which Goldcorp Inc. (**Goldcorp**) will acquire, through a scheme of arrangement under Australian law, all of the outstanding shares of Andean. In this context, I am pleased to provide you with the Scheme Booklet for the proposed merger between Andean and Goldcorp.

Since acquiring the Cerro Negro Project in 2004, Andean has grown from a small gold exploration company with a market capitalisation of around A\$10 million in 2004, to a high-quality gold development company with a market capitalisation of more than C\$2.6 billion as of 2 September 2010. During this time the Andean Directors have remained committed to advancing the Cerro Negro Project and to delivering exceptional value to our shareholders. We see the merger with Goldcorp as the next exciting step of this journey.

Under the Scheme, Goldcorp will acquire all of your Andean Shares. In exchange, you can elect to receive C\$6.50 in cash per Andean Share (subject to the aggregate Cash Consideration not exceeding C\$1 billion) or 0.14 New Goldcorp Shares per Andean Share or a combination of cash and New Goldcorp Shares. Based on the 2 September 2010 closing price of Goldcorp Shares on the TSX, the implied value of the Scheme Consideration represents a 35% premium to Andean's closing price on the TSX on 2 September 2010 and a 56% premium to Andean's 20-day volume weighted average trading price on the TSX as at the same date.

Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme, as we believe that this transaction is in the best interest of Andean Shareholders. Furthermore, each of the Directors intends to vote all Andean Shares held by them in favour of the Scheme. In addition, Sentient, Andean's largest Shareholder with approximately 20.5% of the Andean Shares on issue as at the date of the Scheme Booklet, has stated its intention to vote its Andean Shares in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude, that the Merger is in the best interests of Shareholders.

Andean has engaged an independent expert to review the terms of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders.

If you receive New Goldcorp Shares as consideration, you will have the opportunity to participate in the future performance of a senior gold producer, and your investment in Goldcorp will provide you with a number of benefits, including:

- exposure to a large, geographically and operationally diversified asset base;
- immediate access to low cost production and cash flow;
- exposure to an attractive growth profile;
- a strong financial position to fund the continued development of the Cerro Negro Project and the development of new projects;
- a credible and experienced management team with a proven track record; and
- an established track record in Argentina.



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The Andean Directors believe that these benefits significantly outweigh the potential disadvantages of the Scheme which include:

- exposure to a number of risks to which Andean is not currently exposed;
- exposure to differences between applicable Canadian and Australian corporations and securities laws;
- that Andean might be exposed to the opportunity for increased value by remaining as an independent company;
- uncertainty in the exact value of the Scheme Consideration on implementation of the Scheme; and
- that New Goldcorp Shares will not trade on ASX.

You should be aware that the Merger arose as a result of discussions that Andean had with a select group of suitors following the receipt of an unsolicited proposal from a third party. Your Directors believe that the Merger was the most attractive proposal arising out of those discussions and determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company.

Your vote is important and we encourage you to vote at the Scheme Meeting. You have two methods of voting on the Scheme, either by attending the Scheme Meeting scheduled to be held on 3 December 2010 or by completing and returning the attached proxy form. The Annual General Meeting will follow the Scheme Meeting.

You should carefully read this Scheme Booklet in full. If you are unsure as to the action you should take, or the effect of the Scheme on your individual circumstances, we encourage you to consult your legal, investment, taxation or other professional adviser.

If you have any questions in relation to the Merger, Scheme or the Scheme Meeting, please contact the Andean Shareholder Information Line:

- in North America by telephone at 1-888-518-1561 (toll free);
- outside of North America by telephone at +1-416-867-2272;
- in Australia by telephone at 1300 748 255 (toll free); or
- by email at contactus@kingsdaleshareholder.com,

or consult your legal, investment, taxation or other professional adviser.

On behalf of the Andean Directors I would like to take this opportunity to thank you for your support and for your belief in the success of Andean. Your vote for this Scheme will carry us forward to the next exciting stage for this company.

Yours sincerely,

(Signed)

Louis Gignac

Chairman

Andean Resources Limited

Letter from the President of Goldcorp



Dear Andean Shareholder,

On behalf of the Goldcorp Board, I am pleased to present you with the opportunity to participate in the combination of Goldcorp and Andean via a scheme of arrangement.

If the scheme is approved and becomes effective, you will receive, at your election, either C\$6.50 in cash (subject to aggregate cash consideration not exceeding C\$1 billion) or 0.14 of a New Goldcorp Share or a combination of cash and New Goldcorp Shares for your Andean Shares. The agreed offer represents (assuming full proration of the cash consideration) a 35% premium to the closing price of Andean Shares on the TSX on the day preceding the announcement of the Merger and a 56% premium to the 20-day volume weighted average price on the TSX for the Andean Shares as at the same date. In addition to an attractive and immediate premium for your Andean shares, you also have the opportunity to participate in the combined ongoing business of Goldcorp and the current positive fundamentals of the gold market, through ownership of highly-liquid Goldcorp Shares.

Goldcorp is a leading gold producer engaged in the acquisition, exploration, development and operation of gold properties in Canada, the United States, Mexico and Central and South America. Goldcorp is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world¹. Goldcorp's strategy is to provide its shareholders with superior returns from high quality assets. As at 2 September 2010, Goldcorp's market capitalisation on the TSX was approximately C\$34.0 billion, ranking it as the second largest listed gold producer in the world by market capitalisation.

The Goldcorp Board believes that the combination of Goldcorp and Andean will be beneficial for shareholders in both companies, and will build on the strengths of both of Goldcorp's and Andean's businesses. The combination of Goldcorp's already strong organic growth pipeline which is currently estimated to increase our gold production by approximately 50% by 2014, complemented by the high quality assets of Andean, will further strengthen Goldcorp's competitive position relative to other senior gold producers.

¹ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.



With regard to the Cerro Negro Project, we believe that our strong balance sheet and outstanding track record of responsibly building world class, low cost mines around the world will ensure that the Cerro Negro Project will reach its full potential under Goldcorp management to the benefit of all stakeholders.

Further information on Goldcorp's business and financial performance is contained in section 7 of this Scheme Booklet.

Your directors have unanimously recommended that you vote in favour of the Scheme in the absence of a Superior Proposal, and the Independent Expert retained by Andean has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders.

On behalf of the Goldcorp Board, I encourage you to vote in favour of the Scheme. As President and Chief Executive Officer of Goldcorp, I am excited by the opportunities that lie ahead for the combined Goldcorp and Andean businesses and look forward to welcoming you as a new Goldcorp shareholder.

Yours sincerely,

(Signed)

Charles A. Jeannes

President and Chief Executive Officer

Park Place, Suite 3400 – 666 Burrard St., Vancouver, BC Canada V6C 2X8 Tel: +1.604.696.3000 Fax: +1.604.696.3001 www.goldcorp.com

Important dates and times for the Scheme²

Event	Date & Time
Date for determining who must be provided with the notice of Scheme Meeting, notice of Annual General Meeting and Voting Instruction Form (Notice Record Date)	26 October 2010
Time for determining eligibility to vote at the Scheme Meeting and Annual General Meeting (Voting Record Date)	1 December 2010, 7.00pm
Latest time and date for lodgement of completed proxy form for the Scheme Meeting and Annual General Meeting	1 December 2010, 10.00am
Time and date of the Scheme Meeting	3 December 2010, 10.00am
Time and date of the Annual General Meeting	3 December 2010, at 10.30am or immediately after the Scheme Meeting (whichever is later)
Court hearing for approval of the Scheme	8 December 2010
Effective Date of the Scheme and last day of trading of the Andean Shares on ASX	9 December 2010
Last date of trading of the Andean Shares on TSX	9 December 2010 (Toronto time)
Election Deadline	16 December 2010, 7.00pm (Sydney time) for registered Shareholders 15 December 2010, 7.00pm (Toronto time) for Canadian Beneficial Holders through CDS
Record Date for determining entitlements to the Scheme Consideration (Record Date)	16 December 2010, 7.00pm
Implementation Date for the Scheme	30 December 2010
Dispatch of Scheme Consideration ³	30 December 2010

² All dates and times are Sydney, New South Wales times unless otherwise indicated and are indicative only. The actual timetable will depend on many factors outside the control of Andean, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Merger by each of Andean and Goldcorp. Any changes to the above timetable will be announced to ASX and available on its website, asx.com.au.

³ Share certificates representing New Goldcorp Shares will be sent as soon as practicable after the Implementation Date.

1. Reasons to vote in favour of or against the Scheme



1. Reasons to vote in favour of or against the Scheme

Set out below is a summary of some of the reasons why the Andean Board considers that you should vote in favour of the Scheme. These are addressed in more detail in **section 5.4**. Also set out below is a summary of some of the reasons why you may decide to vote against the Scheme. These are addressed in more detail in **section 5.5**. You should read the entire Scheme Booklet before deciding whether or not to vote in favour of the Scheme.

While your Directors acknowledge that there are reasons to vote against the Scheme, they believe the advantages of the Scheme significantly outweigh the disadvantages.

1.1 Reasons to vote in favour of the Scheme

Your Directors recommend the Scheme.	Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme.
The Independent Expert, Grant Samuel, has concluded that the Scheme is in your best interests.	The Independent Expert, Grant Samuel, has concluded that, in the absence of a Superior Proposal, the Scheme is in the best interests of Shareholders.
The value of the Scheme Consideration represents a substantial premium over the pre-announcement trading prices of Andean Shares.	Based on the 2 September 2010 closing price of Goldcorp Shares on the TSX (the last TSX trading day before the announcement of the Merger), the implied value of the Scheme Consideration was C\$6.47 per Andean Share (assuming all Shareholders elect the Cash Consideration and are scaled back on a pro-rata basis), which represents: • a 35% premium to Andean's closing price on the TSX on 2 September 2010; and • a 56% premium to Andean's 20-day volume weighted average trading price on the TSX as at 2 September 2010. The implied value of the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Goldcorp Share price. The A\$ value of the Cash Consideration and the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Canadian dollar/Australian dollar exchange rate.
You have the opportunity to receive New Goldcorp Shares and participate in the future performance of a company that is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world ⁴ .	Your Directors believe that ownership of New Goldcorp Shares will provide you with a number of benefits, including the following: • exposure to a large, diversified portfolio of assets in low risk geographic areas which, in aggregate, represents one of the largest resource bases among listed gold producers; • immediate access to low cost production and cash flow; • exposure to an attractive growth profile; • ownership of a company with a strong financial position to fund the continued development of the Cerro Negro Project and the development of new projects; • ownership of a company with a credible and experienced management team with the skills, resources and track record of developing major mining projects such as the Cerro Negro Project; • ownership of a company with an established track record in Argentina; and • participation in future upside potential of Andean's assets.

⁴ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

1. Reasons to vote in favour of or against the Scheme

1.1 Reasons to vote in favour of the Scheme (continued)

You have the opportunity to elect to receive C\$6.50 per Andean Share in cash, subject to scale-back on a pro-rata basis.	You can elect to receive C\$6.50 per Andean Share in cash for any or all of your Andean Shares, subject to a Total Cash Pool of C\$1 billion. If Shareholders elect, in aggregate, to receive more than C\$1 billion in Cash Consideration, the Total Cash Pool will be pro-rated among Shareholders who elected to receive cash and the balance of their Andean Shares will be exchanged for New Goldcorp Shares.
You will benefit from the greater liquidity and stronger capital market presence of Goldcorp.	As at 2 September 2010, Goldcorp had a market capitalisation of C\$34.0 billion on a non-diluted basis (versus Andean's market capitalisation of C\$2.7 billion on a non-diluted basis as at the same date). Goldcorp is listed on both the TSX and the NYSE and is actively traded on both exchanges with the average trading value of Goldcorp Shares being approximately US\$365 million per day compared to A\$6 million per day for Andean Shares (based on the historical trading of Goldcorp on the TSX and the NYSE and Andean on the TSX and ASX during the three months leading up to the Announcement Date). Goldcorp is a member of the S&P/TSX 60 Index and the NYSE Composite Index in addition to several other indices. Goldcorp is currently covered by 21 equity research analysts (while Andean is currently covered by 12 equity research analysts).
Your Directors believe the Merger is the most attractive alternative for Shareholders.	You should be aware that the Merger arose as a result of discussions that Andean had with a select group of suitors following the receipt of an unsolicited proposal from a third party. Your Directors believe that the Scheme was the most attractive proposal arising out of those discussions and determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company.
Australian residents for taxation purposes who receive New Goldcorp Shares should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains.	Australian residents for tax purposes who would otherwise realise a capital gain on the disposal of their Andean Shares, in return for New Goldcorp Shares under the Scheme, should generally be able to obtain CGT scrip-for-scrip roll-over relief. Further details in relation to tax considerations can be found in section 9 of this Scheme Booklet.
Eligible Holders for Canadian tax purposes who receive New Goldcorp Shares may be able to obtain a full or partial tax deferral.	Eligible Holders for Canadian tax purposes who receive New Goldcorp Shares in exchange for their Andean Shares may be able to obtain a full or partial tax deferral in respect of the disposition of their Andean Shares. Further details in relation to tax considerations can be found in section 9 of this Scheme Booklet.
Shareholders will not be required to pay any brokerage costs.	Shareholders (other than Ineligible Foreign Shareholders) will not be required to pay any brokerage or other costs in connection with the disposal of their Andean Shares under the Scheme.
If the Scheme is not implemented and no alternative proposal emerges, the Andean Share price may fall.	If the Scheme is not implemented and no alternative proposal emerges, Andean will remain an independent company and will continue to explore and advance the Cerro Negro Project. Should this occur, your Directors expect that the Andean Share price will trade below its current trading levels in the near term (although it is difficult to predict the Andean Share price movement with any certainty).

1. Reasons to vote in favour of or against the Scheme

1.2 Reasons to vote against the Scheme

You may disagree with your Directors' recommendation or the Independent Expert's conclusion

Potential disadvantages of the Scheme include:

- exposure to a number of risks to which Andean is not currently exposed;
- exposure to differences between applicable Canadian and Australian corporations and securities laws;
- that Andean might be exposed to the opportunity for increased value by remaining as an independent company;
- uncertainty in the exact value of the Scheme Consideration on implementation of the Scheme; and
- that New Goldcorp Shares will not trade on ASX.

For these (or other) reasons you may not agree with the Directors' unanimous recommendation or the Independent Expert's conclusion.

The Combined Group will be subject to a number of risks to which Andean is not currently exposed.

If the Scheme becomes Effective, Scheme Participants will be entitled to receive the Scheme Consideration, which may be in the form of New Goldcorp Shares (subject to their ability to elect to receive C\$6.50 in cash per Andean Share and to scale back of the Total Cash Pool).

The value of New Goldcorp Shares will be influenced by a range of factors, many of which will be beyond the control of the Combined Group. These risk factors include general risks associated with:

- financial matters;
- business and operations;
- specific projects;
- acquisitions;
- New Goldcorp Shares; and
- the Combined Group.

Exploration and mining companies are generally exposed to many of these risks. The Andean businesses which will form part of the Combined Group face many of these risks already and they are therefore risks to which you already have some exposure. However, a number of risks will be new and could be potentially greater in impact than is currently the case in relation to Andean.

Further details of these risks can be found in **section 10** of this Scheme Booklet.

You will be exposed to differences between applicable corporations and securities laws.

Andean is incorporated in Australia and Goldcorp is incorporated in Canada. If the Scheme becomes Effective, Shareholders whose rights are currently governed by the laws of Australia and the constitution of Andean, who receive the Share Consideration will become holders of New Goldcorp Shares. The rights of holders of New Goldcorp Shares will be governed by Ontario law and Goldcorp's articles of amalgamation and by-laws.

Although some of the material differences between Australian company law and Canadian company law as they relate to Andean and Goldcorp respectively could be viewed as advantageous to Shareholders, others could be viewed as disadvantageous to Shareholders.

Further details of the differences between applicable company laws can be found in **Annexure E**.

You may not want to change your current investment profile.

The operational profile, capital structure, size, share liquidity and geographic exposure of the Combined Group will be different from that of Andean on a stand-alone basis.

1. Reasons to vote in favour of or against the Scheme

1.2 Reasons to vote against the Scheme (continued)

You may prefer Andean to be exposed to the opportunity for increased value from remaining as an independent company.

Since acquiring the Cerro Negro Project in 2004, Andean has grown from a small gold exploration company, to a high-quality gold development company with a market capitalisation of more than C\$2.6 billion as of 2 September 2010.

You may believe that Andean will continue to grow and Shareholders will have the opportunity for greater returns over the long term by continued investment in Andean as an independent company and exposure to the Cerro Negro Project.

In assessing and recommending the Scheme, your Directors evaluated the benefits of Andean continuing as an independent company against its other strategic alternatives.

In deciding that they should recommend the Merger, your Directors determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company.

US Holders who exchange Andean Shares under the Scheme may be subject to US federal income tax.

US Holders who exchange Andean Shares under the Scheme for the Cash Consideration, the Share Consideration or the Mixed Consideration may be subject to US federal income tax with respect to any gain therefrom.

Further details in relation to tax considerations can be found in **section 9** of this Scheme Booklet.

A Superior Proposal for Andean, if it were to continue as an independent company, may materialise in the future.

It is possible that, if Andean were to continue as an independent company, a Superior Proposal for Andean which is more attractive for Shareholders may materialise in the future.

You should be aware that the Merger arose as a result of discussions that Andean had with a select group of suitors following the receipt of an unsolicited proposal from a third party. Your Directors believe that the Scheme was the most attractive proposal arising out of those discussions and determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company.

Until the Scheme is approved by Shareholders, there is nothing preventing other parties from making unsolicited Acquisition Proposals for Andean.

Your Directors may consider an unsolicited proposal that is or would reasonably be expected to result in a Superior Proposal, but Andean may not solicit competing proposals. Goldcorp has the right, but not the obligation, to match any Superior Proposal.

If a Superior Proposal for Andean emerges prior to the Scheme Meeting your Directors will carefully consider the proposal and will inform you of any material developments.

The exact value of the Scheme Consideration on implementation of the Scheme is not certain.

The exact value of the Scheme Consideration that would be realised by Scheme Participants upon implementation of the Scheme is not certain because it is dependent on the price at which Goldcorp Shares trade on the TSX and NYSE at the Implementation Date, the Canadian dollar/Australian dollar exchange rate at the Implementation Date and the elections of Shareholders to receive all or part of the Scheme Consideration in cash.

You will need to trade your New Goldcorp Shares on the TSX and the NYSE as the New Goldcorp Shares will not trade on ASX.

New Goldcorp Shares will be listed on the TSX and the NYSE but will not be listed on ASX. If you receive New Goldcorp Shares, you will only be able to trade your New Goldcorp Shares on the TSX and the NYSE.

In order for Australian Scheme Participants to sell any New Goldcorp Shares they receive, they will be required to establish an international trading account with an Australian broking firm and pay brokerage on the sale of New Goldcorp Shares.

Please see **section 5.2** for further information on trading New Goldcorp Shares.

2. Summary of the Merger



2. Summary of the Merger

2.1 Introduction

Set out below is a summary of the key features of the Merger. This summary should be read in conjunction with the additional detailed information for Shareholders set out in this Scheme Booklet.

On 3 September 2010, Goldcorp and Andean announced that they had entered into the Merger Implementation Agreement in relation to the Merger. Under the Merger, Goldcorp will acquire all of the Andean Shares through a scheme of arrangement for consideration of C\$6.50 in cash or 0.14 New Goldcorp Shares per Andean Share. The Scheme values the equity in Andean at approximately C\$3.6 billion, or approximately A\$3.7 billion, based on the 2 September 2010 closing price of Goldcorp Shares on the TSX of C\$46.18 (the last TSX trading day before the announcement of the Merger) and the Bank of Canada closing Canadian dollar/Australian dollar exchange rate of 1 A\$ = 1.0443 C\$ on the same date.

If the Scheme is approved by Shareholders and by the Court, and if all other conditions to the Merger are satisfied or waived, all Andean Shares will be transferred to Goldcorp and Andean will become a wholly-owned Subsidiary of Goldcorp and Andean will be delisted from the TSX and ASX. Shortly after, Goldcorp intends to transfer all of the Andean Shares to a wholly-owned Australian subsidiary (**Goldcorp Sub**) and Andean will transfer its assets to Goldcorp Sub pursuant to a scheme under section 413 of the Corporations Act and be deregistered.

A copy of the Scheme is set out in **Annexure G** to this Scheme Booklet.

2.2 What you will receive

If the Scheme is implemented, Scheme Participants will receive the Scheme Consideration for the transfer of the Andean Shares held by them at the Record Date.

Each Scheme Participant will be given the opportunity to elect to receive their Scheme Consideration in one of the following forms by the Election Deadline (expected to be 7.00pm on 16 December 2010 (Sydney time) and 7.00pm on 15 December 2010 Toronto time):

- the Cash Consideration – under which the Scheme Participant elects to receive C\$6.50 in cash for each of their Andean Shares (subject to scale-back on a pro-rata basis as set out below);

- the Share Consideration – under which the Scheme Participant elects to receive 0.14 New Goldcorp Shares for each of their Andean Shares; or
- the Mixed Consideration – under which the Scheme Participant elects to receive C\$6.50 per Andean Share in cash for a number of their Andean Shares (subject to scale-back on a pro-rata basis as set out below) and 0.14 New Goldcorp Shares for each of their remaining Andean Shares.

If a Scheme Participant does not make a valid Election that Scheme Participant will be deemed to have elected to receive the Share Consideration in respect of all of their Andean Shares.

The total amount of Cash Consideration payable under the Scheme is limited to a Total Cash Pool of C\$1 billion.

To the extent that Elections to receive Cash Consideration cannot be satisfied in full within this amount, they will be scaled back on a pro-rata basis (see **section 5.2** for further information).

Shareholders will be sent the Cash Consideration payable under the Scheme by cheque on the Implementation Date. Share certificates for New Goldcorp Shares issued as Share Consideration will be dispatched to Scheme Participants as soon as practicable after the Implementation Date. It is anticipated that this will be on or around 30 December 2010.

Further detail about the Scheme Consideration and making an Election is set out in **section 5.2** of this Scheme Booklet.

Before making an Election, Scheme Participants should consider their personal tax position and other circumstances. If Scheme Participants are in any doubt about what they should do, or about anything in this Scheme Booklet, they should consult their legal, investment, taxation or other professional adviser.

2. Summary of the Merger

2.3 Directors' recommendations

In the absence of a Superior Proposal, your Directors unanimously recommend that Shareholders vote in favour of the Scheme and the Directors advise that they intend to vote all Andean Shares held by them in favour of the Scheme.

The matters which the Directors have considered in making these recommendations are set out in **sections 5 and 8**.

The implications for Shareholders if the Merger does not proceed are set out in **section 5.6(c)**.

2.4 Independent Expert

Andean has commissioned the Independent Expert, Grant Samuel, to prepare a report to ascertain whether the Scheme is in the best interests of Shareholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of Shareholders.

The Independent Expert's Report is set out in **Annexure A** to this Scheme Booklet.

2.5 An introduction to Goldcorp

Goldcorp is a gold production, exploration and development corporation listed on the TSX and the NYSE. Goldcorp is incorporated in Ontario, Canada and its head office is located in Vancouver, Canada. Goldcorp is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world⁵. As at 2 September 2010, Goldcorp's market capitalisation on the TSX was approximately C\$34.0 billion, ranking it as the second largest publicly traded gold producer in the world by market capitalisation. Goldcorp is engaged in the acquisition, exploration, development and operation of gold properties in Canada, the United States, Mexico and Central and South America.

2.6 Implementation, timetable and procedures

If the Scheme is approved by Shareholders and the Court, and all other conditions to the Merger are satisfied or (where applicable) waived, it is expected that the Scheme will be fully implemented by the end of December 2010. The key dates and times in relation to the Scheme are set out at the beginning of this Scheme Booklet.

2.7 Conditions to the Scheme

Implementation of the Merger is subject to the following outstanding conditions precedent:

- any regulatory authority approvals necessary to implement the Merger being obtained;
- no Court order or legal restraint preventing the implementation of the Scheme;
- approval of the Scheme by the Requisite Majority of Shareholders under the Corporations Act;
- all outstanding Options being vested, and exercised, cancelled or acquired by Goldcorp or there being an agreement that they be exchanged for Goldcorp Options and the Andean Shares underlying all outstanding performance rights and share grants allocated under the ESOP being vested;
- Court approval of the Scheme;
- approvals under material contracts necessary to implement the Merger, which if not obtained, would result in an Andean Material Adverse Change or a Goldcorp Material Adverse Change;
- no Andean Prescribed Event or Goldcorp Prescribed Event occurring before the Second Court Date;
- no Andean Material Adverse Change occurring before the Second Court Date;
- the New Goldcorp Shares being approved (subject to normal conditions) for listing on the TSX and the NYSE;
- the representations and warranties made by Andean being true and correct in all material respects on the Second Court Date;
- the representations and warranties made by Goldcorp being true and correct in all material respects on the Second Court Date; and
- no action being taken under any applicable law or by any government, governmental or regulatory authority which makes the Scheme illegal or otherwise restrains, enjoins or prohibits the implementation of the Merger.

Further detail about the conditions to the Scheme are set out in **sections 11.2 and 11.3** of this Scheme Booklet.

⁵ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

2. Summary of the Merger

2.8 Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia on 3 December 2010 at 10.00am (Sydney time). Voting eligibility for the Scheme Meeting will be determined as at 7.00pm on 1 December 2010 (Sydney time).

Further details of the Scheme Meeting, including how to vote, are contained in **section 4**. The notice of Scheme Meeting is contained in **Annexure I** of this Scheme Booklet.

2.9 Voting thresholds

Scheme

The Scheme must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting.

Court Approval

If the Scheme is approved at the Scheme Meeting, and all other conditions of the Scheme have been satisfied or waived, the Court will be asked to approve the Scheme on the Second Court Date. The Second Court Date is expected to be on or around 8 December 2010.

2.10 Support from Sentient

Sentient, Andean's largest shareholder, holding approximately 20.5% of the Andean Shares on issue as at the date of the Scheme Booklet, has entered into a Call Option Agreement with Goldcorp in respect of 107,909,316 Andean Shares held by Sentient (representing approximately 19.7% of the Andean Shares on issue as at the date of the Scheme Booklet).

Separately, Sentient has advised Andean that it intends to vote its Andean Shares in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude, that the Scheme is in the best interests of Shareholders.

Please refer to **section 11.7** for further information about the Call Option Agreement.

2.11 Tax implications

The transfer of your Andean Shares in accordance with the Scheme may have tax implications for you. **You should seek your own professional advice regarding your individual tax consequences.** A summary of relevant tax implications for Scheme Participants is contained in **section 9** of this Scheme Booklet.

2.12 What to do next

Read the remainder of this Scheme Booklet

Read the remainder of this Scheme Booklet in full before making any decision on the Scheme.

Consider your options

Shareholders should refer to **section 5.4** of this Scheme Booklet for further guidance on the expected advantages and consequences of the Scheme and **section 10** for guidance on the risk factors associated with the Scheme.

If you have any questions in relation to the Merger, the Scheme or the Scheme Meeting, please contact the Andean Shareholder Information Line:

- in North America by telephone at 1-888-518-1561 (toll free);
 - outside of North America by telephone at +1-416-867-2272;
 - in Australia by telephone at 1300 748 255 (toll free); or
 - by email at contactus@kingsdaleshareholder.com;
- or consult your legal, investment, taxation, financial or other professional adviser.

Vote at the Scheme Meeting

Your Directors urge you to vote on the Scheme at the Scheme Meeting. The Scheme affects your shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds.

Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme.

3. Frequently asked questions



3. Frequently asked questions

This Scheme Booklet contains detailed information on the proposed Merger. The following table sets out summary answers to some basic questions you may have in relation to the Merger. This information is a summary only and should be read in conjunction with the remainder of this Scheme Booklet.

Questions about the Merger

Questions	Answers
What is the Merger?	On 3 September 2010, Andean and Goldcorp announced that they had entered into the Merger Implementation Agreement in relation to the Merger. Under the Merger, Goldcorp will acquire all of the Andean Shares through a scheme of arrangement. If the Merger is implemented, Andean will become a wholly-owned Subsidiary of Goldcorp and Andean will be delisted from ASX and the TSX.
What is the Scheme?	The Merger will be implemented by way of a scheme of arrangement between Andean and its Shareholders under which all of the Andean Shares will be transferred to Goldcorp in consideration for Goldcorp issuing to each Scheme Participant the Scheme Consideration. The Scheme requires the approval of both the Requisite Majority of Shareholders at the Scheme Meeting and the Court. The terms of the Scheme are set out in full in Annexure G to this Scheme Booklet.
What is the Scheme Consideration?	If the Merger proceeds, you will receive the Scheme Consideration, being a choice of: • Cash Consideration, being C\$6.50 in cash for each Andean Share you hold at the Record Date (subject to scale-back on a pro-rata basis as described below); • Share Consideration, being 0.14 of a New Goldcorp Share for each Andean Share you hold at the Record Date; or • Mixed Consideration, being a combination of Cash Consideration for a portion of your Andean Shares (subject to scale back on a pro-rata basis as described below) and Share Consideration for your remaining Andean Shares.
What will be the effect of the Merger?	• You will transfer all of your Andean Shares to Goldcorp. • In exchange for the transfer of your Andean Shares to Goldcorp, you will receive the Scheme Consideration for each Andean Share you hold. • Andean will become a wholly-owned Subsidiary of Goldcorp and will be delisted from ASX and the TSX.
What value does the Scheme imply for my Andean Shares?	The Cash Consideration is C\$6.50 per Andean Share. The Share Consideration is 0.14 New Goldcorp Shares per Andean Share. Based on the 25 October 2010 (Toronto) closing price of Goldcorp Shares on the TSX of C\$43.55 (the latest practicable date prior to the finalisation of this Scheme Booklet), the implied value of the Share Consideration was C\$6.10 per Andean Share. The implied value of the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Goldcorp Share price. Please refer to section 7.8 of this Scheme Booklet for the recent price history of Goldcorp Shares. The A\$ value of the Cash Consideration and Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Canadian dollar/Australian dollar exchange rate.

3. Frequently asked questions

Questions about the Merger (continued)

Questions	Answers
What are some of the key conditions that need to be satisfied before the Merger can proceed?	Implementation of the Merger is subject to a number of conditions contained in the Merger Implementation Agreement, including: • any regulatory authority approvals necessary to implement the Merger being obtained; • no Court order or legal restraint preventing the implementation of the Scheme; • approval of the Scheme by the Requisite Majority of Shareholders under the Corporations Act; • all outstanding Options being vested, and exercised, cancelled or acquired by Goldcorp or there being an agreement that they be exchanged for Goldcorp Options and the Andean Shares underlying all outstanding performance rights and share grants allocated under the ESOP being vested; • Court approval of the Scheme; • approvals under material contracts necessary to implement the Merger, which if not obtained, would result in an Andean Material Adverse Change or Goldcorp Material Adverse Change; • no Andean Prescribed Event or Goldcorp Prescribed Event occurring before the Second Court Date; • no Andean Material Adverse Change occurring before the Second Court Date; • the New Goldcorp Shares being approved for listing (subject to the normal conditions) on the TSX and NYSE; • the representations and warranties made by Andean being true and correct in all material respects on the Second Court Date; • the representations and warranties made by Goldcorp being true and correct in all material respects on the Second Court Date; and • no action being taken under any applicable law or by any government or governmental or regulatory authority which makes the Scheme illegal or otherwise directly or indirectly restrains, enjoins or prohibits the implementation of the Merger. Each of these key conditions is discussed in further detail in sections 11.2 and 11.3 of this Scheme Booklet and a summary of all of the conditions is set out in the Summary of the Merger Implementation Agreement in Annexure D to this Scheme Booklet.
What is the Directors' recommendation?	Your Directors have carefully considered the advantages and disadvantages of the Merger and unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme.

3. Frequently asked questions

Questions about the Merger (continued)

Questions	Answers
What are the reasons to vote in favour of the Scheme?	The Andean Board considers that advantages for Shareholders if the Merger is implemented include: • the value of the Scheme Consideration represents a substantial premium over the pre-announcement trading prices of Andean Shares, subject to fluctuation in the value of the New Goldcorp Shares; • the Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Andean Shareholders; • You have the opportunity to elect to receive New Goldcorp Shares, and to participate in the future performance of a company that is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world⁶; • You have the opportunity to elect to receive C\$6.50 per Andean Share, subject to scale-back on a pro-rata basis; • You will benefit from the greater liquidity and stronger capital market presence of Goldcorp; • your Directors believe that the Merger represents the most attractive alternative for Shareholders; • Australian residents for taxation purposes who receive New Goldcorp Shares should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains; • Eligible Holders for Canadian tax purposes who receive New Goldcorp Shares may be able to obtain a full or partial tax deferral; • Scheme Participants will not be required to pay any brokerage; and • If the Scheme is not implemented and no alternative proposal emerges, the Andean Share price may fall below its current trading levels in the near term (although it is difficult to predict the Andean Share price movement with any certainty).
What are the reasons to vote against the Scheme?	Reasons why you may decide to vote against the Scheme include: • you may disagree with your Directors' recommendation or the Independent Expert's conclusion; • the Combined Group will be subject to a number of risks to which Andean is not currently exposed; • you will be exposed to differences between applicable Canadian and Australian corporations and securities laws; • you may not want to change your current investment profile; • you may prefer Andean to be exposed to the opportunity for increased value by remaining as an independent company; • if Andean were to continue as an independent company, a Superior Proposal for Andean may materialise in the future; • the exact value of the Scheme Consideration on implementation of the Scheme is not certain; and • Scheme Participants will need to trade their New Goldcorp Shares on the TSX or the NYSE as the New Goldcorp Shares will not trade on ASX.

⁶ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

3. Frequently asked questions

Questions about the Merger (continued)

Questions	Answers
What are the risks for me if the Merger is implemented?	If the Scheme becomes Effective, you will be entitled to receive the Scheme Consideration, which may be in the form of New Goldcorp Shares (subject to your ability to elect to receive C\$6.50 in cash per Andean Share and to scale back on a pro-rata basis if the Total Cash Pool would be exceeded). The value of New Goldcorp Shares will be influenced by a range of factors, many of which will be beyond the control of the Combined Group. These risk factors include general risks associated with: • financial matters; • business and operations; • specific projects; • acquisitions; • New Goldcorp Shares; and • the Combined Group. Exploration and mining companies are generally exposed to many of these risks. The Andean businesses which will form part of the Combined Group face many of these risks already and they are therefore risks to which you already have some exposure. However, a number of risks will be new and could be potentially greater in impact than is currently the case in relation to Andean. Your Directors draw your attention to the summary of risks associated with the Combined Group contained in section 10 of this Scheme Booklet.
Is there an independent expert's report?	Andean has commissioned an Independent Expert, Grant Samuel, to prepare a report to ascertain whether the Scheme is in the best interests of Shareholders. The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of Shareholders. The Independent Expert's Report is set out in Annexure A to this Scheme Booklet.
If I wish to support the Merger, what should I do?	Your Directors unanimously recommend that, in absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. If you are a registered Shareholder and are unable to attend the Scheme Meeting you may be entitled to vote by proxy, corporate representative or attorney. For Canadian Beneficial Holders see section 4.6 of the Scheme Booklet for information regarding voting at the Scheme Meeting. See section 4 of the Scheme Booklet for directions on how to vote and important voting information generally.
If I wish to oppose the Merger, what should I do?	If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Merger, you should vote against the Scheme at the Scheme Meeting. You may also oppose approval by the Court of the Scheme at the Court hearing. See section 4 of the Scheme Booklet for directions on how to vote and important voting information generally and section 4.3 for information about the Court approval of the Scheme.

3. Frequently asked questions

Questions about the Merger (continued)

Questions	Answers
What happens if I vote against the Scheme?	If the Scheme is approved by the Requisite Majority of Shareholders and by the Court, and all other conditions to the Merger are satisfied or waived (as applicable), your Andean Shares will be transferred to Goldcorp in consideration for Goldcorp issuing to you the Scheme Consideration for your Andean Shares. If the Scheme is not approved, Andean will remain an independent company and you will remain a Shareholder.
How will the Merger be implemented?	If the Scheme becomes Effective, no further action is required on the part of the Scheme Participants in order to implement the Scheme. Under the Scheme, Andean is given authority to transfer all of the Andean Shares to Goldcorp, and Goldcorp will pay or transfer the Scheme Consideration to the Scheme Participants.
What happens if the Scheme is not approved?	If the Scheme is not approved by the Requisite Majority of Shareholders, the Scheme will not be implemented. If any of the conditions to the Merger are not satisfied or waived, (including if the Scheme is not approved by the Requisite Majority of Shareholders or by the Court), the Merger Implementation Agreement may be terminated and the Merger will not be implemented. The consequences of the Scheme not being implemented include: • you will retain your Andean Shares, you will not receive the Scheme Consideration, and you will continue to be exposed to the risk associated with your investment in Andean Shares; • the existing Andean Board and management will continue to operate Andean's business; • the expected benefits of the Merger (as set out in section 5.4) will not be realised; • if the Scheme is not implemented, and no alternative proposal emerges, the Andean Share price may fall; • Andean will have incurred significant costs and management time and resources for no outcome; and • Andean may be liable to pay the Break Fee to Goldcorp (see section 11.5).

3. Frequently asked questions

Questions about the Merger (continued)

Questions	Answers
Is a Superior Proposal likely? What happens if a Superior Proposal emerges?	It is possible that, if Andean were to continue as an independent company, a Superior Proposal for Andean may materialise in the future. You should be aware that the Merger arose as a result of discussions that Andean had with a select group of suitors following the receipt of an unsolicited proposal from a third party. Your Directors believe that the Scheme was the most attractive proposal arising out of those discussions and determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company. Until the Scheme is approved by the Requisite Majority of Shareholders, there is nothing preventing other parties from making unsolicited Acquisition Proposals for Andean. Your Directors may consider an unsolicited proposal that is or would reasonably be expected to result in a Superior Proposal, but Andean may not solicit competing proposals. Goldcorp has the right, but not the obligation, to match any Superior Proposal. If a Superior Proposal for Andean emerges prior to the Scheme Meeting your Directors will carefully consider the proposal and will inform you of any material developments.
What are the tax implications of the Merger proposal?	Section 9 of this Scheme Booklet provides a description of the general Australian, Canadian and United States tax implications of the Merger. In relation to the Share Consideration, CGT scrip-for-scrip rollover relief is likely to be available to Australian resident Shareholders. Eligible Holders for Canadian tax purposes and who receive New Goldcorp Shares in exchange for their Andean Shares may be able to obtain a full or partial tax deferral in respect of the disposition of their Andean Shares. US Holders who exchange Andean Shares under the Scheme may be subject to US federal income tax. Further details in relation to tax considerations can be found in section 9 of this Scheme Booklet.
When will the results of the Scheme Meeting be available?	The results of the Scheme Meeting will be available shortly after the conclusion of the meeting and will be promptly announced to ASX. The results will also be available on Andean's website (andean.com.au) and under Andean's profile on SEDAR (sedar.com) and ASX (asx.com.au) shortly after the Scheme Meeting.
Who will manage the Combined Group following the implementation of the Merger?	The current senior management of Goldcorp will form the senior management of the Combined Group.
How do the Directors intend to vote in respect of their own Andean Shares?	In the absence of a Superior Proposal, each Director intends to vote in favour of the Scheme, in respect of all the Andean Shares they hold. Your Directors collectively control the voting rights attaching to approximately 2.5% of the total number of Andean Shares on issue.

3. Frequently asked questions

Questions about your entitlements

Questions	Answers
Am I entitled to participate in the Merger?	If you are registered as a Shareholder at the Record Date (expected to be 16 December 2010), you will be able to participate in the Scheme and will be entitled to receive the Scheme Consideration under the Scheme if it is approved and implemented.
What will I receive if the Merger proceeds?	If the Merger proceeds, you will receive the Scheme Consideration, being a choice of: • Cash Consideration, being C\$6.50 in cash for each Andean Share you hold at the Record Date (subject to scale-back on a pro-rata basis as described below); • Share Consideration, being 0.14 of a New Goldcorp Share for each Andean Share you hold at the Record Date; or • Mixed Consideration, being a combination of Cash Consideration for a portion of your Andean Shares (subject to scale back on a pro-rata basis as described below) and Share Consideration for each of your remaining Andean Shares. If Shareholders elect, in aggregate, to receive more than C\$1 billion in Cash Consideration, the Total Cash Pool will be pro-rated among Shareholders who elected to receive Cash Consideration and the balance of their Andean Shares will be exchanged for New Goldcorp Shares.
What form of Scheme Consideration will I receive if the Total Cash Pool is exceeded?	If Shareholders elect, in aggregate, to receive more than C\$1 billion in Cash Consideration, the Total Cash Pool will be pro-rated among Shareholders who elected to receive Cash Consideration and the balance of their Andean Shares will be exchanged for New Goldcorp Shares.
What if I am a foreign shareholder?	If you are a Shareholder whose address on the Share Register at the Record Date is in a jurisdiction other than Australia or its external territories, New Zealand, Canada or the United States, you may not be able to be issued New Goldcorp Shares as Scheme Consideration due to your local securities laws. If you are an Ineligible Foreign Shareholder you will not receive New Goldcorp Shares under the Scheme. Instead, the number of New Goldcorp Shares that would otherwise have been issued to you under the Scheme will be issued to the Sale Agent, as your nominee in trust, who will sell those New Goldcorp Shares on the market following the implementation of the Scheme. The Sale Agent will pay you the sale proceeds, net of any brokerage, taxes and charges. Andean, Goldcorp and the Sale Agent give no assurance as to the price that will be achieved for New Goldcorp Shares sold for Ineligible Foreign Shareholders by the Sale Agent. See section 5.2(k) for further details.
What form of Scheme Consideration will I receive if I do not make an Election?	If you do not lodge a valid Election Form by the Election Deadline and the Merger proceeds, you will receive the Share Consideration of 0.14 New Goldcorp Shares for each of your Andean Shares you hold at the Record Date.
What happens if the market price of Goldcorp Shares increases or decreases?	If you elect to receive Share Consideration, the number of New Goldcorp Shares issued to you will not change as a result of any movement in the market price of Goldcorp Shares. The implied value of the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Goldcorp Share price.

3. Frequently asked questions

Questions about your entitlements (continued)

Questions	Answers
How will fractional entitlements to New Goldcorp Shares be treated?	If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a New Goldcorp Share that equals or exceeds one half, the number of New Goldcorp Shares to which you are entitled will be rounded up to the nearest whole number. In the case of an entitlement to less than one half of a New Goldcorp Share, your entitlement will be rounded down to the nearest whole number.
When will I be issued the Share Consideration?	If the Scheme is implemented, Goldcorp expects to issue your New Goldcorp Shares to you on 30 December 2010 (although this date may change) and share certificates will be sent to you as soon as practicable after that date. You will be sent your Cash Consideration separately (if applicable).
When will I be paid the Cash Consideration?	If the Scheme is implemented, Goldcorp expects to send your Cash Consideration to you on 30 December 2010 (although this date may change). You will be sent your Share Consideration separately (if applicable).
Will I have to pay brokerage fees on the disposal of my Andean Shares?	No, other than for Ineligible Foreign Shareholders, there are no brokerage or other costs payable by you in connection with the disposal of your Andean Shares under the Scheme.

Questions about voting

Can I vote?	If you are registered as a Shareholder at the Voting Record Date you will be entitled to vote on the resolution to be proposed at the Scheme Meeting. If you are not registered as a Shareholder but you are a Canadian Beneficial Holder you must be appointed by the applicable intermediary as a proxy in order to attend and vote at the Scheme Meeting. In accordance with applicable Canadian securities legislation, Andean has elected to seek voting instructions directly from Non-Objecting Beneficial Shareholders. If you are a Canadian Beneficial Holder on the Notice Record Date, you may provide voting instructions using the form sent to you. For further details, see section 4.
When and where will the Scheme Meeting be held?	The Scheme Meeting to approve the Scheme is scheduled to be held at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia on 3 December 2010 commencing at 10.00am. Voting eligibility for the Scheme Meeting will be determined as at 7.00pm on 1 December 2010. Further details of the Scheme Meeting, including how to vote are contained in section 4 of this Scheme Booklet. The notice of Scheme Meeting is contained in Annexure I of this Scheme Booklet.
When and where will the Annual General Meeting be held?	The Annual General Meeting is scheduled to be held on the same day as the Scheme Meeting, on 3 December 2010 at 10.30am, or immediately following the Scheme Meeting (whichever is later) at the same location as the Scheme Meeting. The notice convening the Annual General Meeting is contained in Annexure J to this Scheme Booklet. A personalised proxy form is enclosed with this Scheme Booklet.

3. Frequently asked questions

Questions about voting (continued)

Questions	Answers
What vote is required to approve the Scheme?	The Scheme needs to be approved by: • unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and • at least 75% of the total number of votes cast on the resolution at the Scheme Meeting.
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting scheduled to be held on 3 December 2010 at 10.00am you should complete and return the proxy form enclosed with this Scheme Booklet. For further details regarding voting and submitting proxy forms for the Scheme Meeting, see section 4.
Why should I vote?	Your vote will be important in determining whether the Merger will proceed. Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme. The Directors who hold Andean Shares intend to vote in favour of the Scheme in respect of all of their Andean Shares, in the absence of a Superior Proposal.
What happens if I do not vote?	If the Scheme is approved, your Andean Shares will be transferred to Goldcorp in consideration for Goldcorp issuing to you the Scheme Consideration for your Andean Shares. If the Scheme is not approved, Andean will remain an independent company and you will remain a Shareholder.
Can I attend the Court and oppose the Court approval of the Scheme?	If you wish to oppose approval by the Court of the Scheme at the Court hearing you may do so by filing with the Court, and serving on Andean, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Andean at least one day before the Second Court Date.
Can I sell my Andean Shares now?	You can offer to sell your Andean Shares on market at any time before the close of trading on ASX on 9 December 2010 (Sydney time) and on TSX on 9 December 2010 (Toronto time) at the prevailing market price, however you will not receive the Scheme Consideration and may have to pay brokerage fees.
Do I have to complete the proxy form enclosed with this Scheme Booklet?	You only need to complete the proxy form if you wish to vote by proxy at the Scheme Meeting. You do not need to complete the proxy form if you intend to vote in person, corporate representative or attorney at the Scheme Meeting.
What are my options?	You may: • vote in favour of the Scheme at the Scheme Meeting; • vote against the Scheme at the Scheme Meeting; • sell your Andean Shares on ASX or the TSX before the Scheme Meeting is held; or • do nothing.
What if I cannot, or do not wish to, attend the Scheme Meeting?	If you cannot, or do not wish to, attend the Scheme Meeting, you may appoint a proxy, corporate representative or attorney to vote on your behalf. For further details regarding voting and submitting proxy forms for the Scheme Meeting, see section 4.

3. Frequently asked questions

Questions about Goldcorp

Questions	Answers
Who is Goldcorp?	Goldcorp is a gold production, exploration and development corporation listed on the TSX and the NYSE. Goldcorp is incorporated in Ontario, Canada and its head office is located in Vancouver, Canada. Goldcorp is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world ⁷ . As at 2 September 2010, Goldcorp's market capitalisation on the TSX was approximately C\$34.0 billion, ranking it as the second largest publicly traded gold producer in the world by market capitalisation. Goldcorp is engaged in the acquisition, exploration, development and operation of gold properties in Canada, the United States, Mexico and Central and South America.
Why does Goldcorp wish to implement the Merger?	The Goldcorp Board believes that the Merger has significant benefits for Goldcorp. An important part of Goldcorp's business strategy is to continue to seek new mining and development opportunities in the mining industry by way of acquisition, in particular the acquisition of high-quality gold assets in stable jurisdictions. Andean's key asset, the Cerro Negro Project, is a high quality asset located in a jurisdiction that Goldcorp is familiar with. Goldcorp's strong financial position, technical expertise and track record in developing major mines means that it is well placed to continue to advance the development of the Cerro Negro Project and will seek to do this on an accelerated basis.
What are Goldcorp's intentions in relation to the Combined Group if the Merger proceeds?	Goldcorp intends to operate the Combined Group business consistently with its past practice. The Combined Group is expected to continue to follow Goldcorp's current strategy of providing shareholders with superior returns from high quality assets.

General Questions

What other information is available?	You should read the detailed information in relation to the Merger provided in this Scheme Booklet. Andean expects to announce its ASX Quarterly Report for 30 September 2010 and Financial Statements for the quarter ended 30 September 2010 by the end of October and mid November respectively. These reports will be available from ASX or on its website asx.com.au. In addition, Andean's results will be available on Andean's website andean.com.au or under Andean's profile on SEDAR at sedar.com.
Who can help answer my questions about the Merger?	If you have any questions in relation to the Merger, Scheme or the Scheme Meeting please contact: • in North America by telephone at 1-888-518-1561 (toll free); • outside of North America by telephone at +1-416-867-2272; • in Australia by telephone at 1300 748 255 (toll free); or • by email at contactus@kingsdaleshareholder.com; or consult your legal, investment, taxation or other professional adviser.

⁷ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

4. Meeting and voting information



4. Meeting and voting information

This section contains information relating to voting entitlements and information on how to vote for Shareholders and Canadian Beneficial Holders.

As Andean is a reporting issuer in Canada, some of the following disclosures are required to be included in this Scheme Booklet under the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*.

4.1 Annual General Meeting

ASIC has extended the time for Andean to hold its 2010 Annual General Meeting until no later than 31 January 2011. The Annual General Meeting is scheduled to be held on the same day as the Scheme Meeting, on 3 December 2010 at 10.30am, or immediately following the Scheme Meeting (whichever is later) at the same location as the Scheme Meeting.

The notice convening the Annual General Meeting is contained in **Annexure J** to this Scheme Booklet. A personalised proxy form is enclosed with this Scheme Booklet.

4.2 Scheme Meeting

The Scheme Meeting to approve the Scheme is scheduled to be held at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia on 3 December 2010 at 10.00am.

The Scheme must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders present and voting at the Scheme Meeting (in person or by proxy, corporate representative or attorney); and
- at least 75% of the total number of votes which are cast at the Scheme Meeting.

The notice convening the Scheme Meeting is contained in **Annexure I** to this Scheme Booklet. A personalised proxy form is enclosed with this Scheme Booklet.

4.3 Court and ASIC approval

The date on which the Court hears Andean's application in relation to the Scheme is the Second Court Date. The Second Court Date is expected to be around 8 December 2010 and is open to all Shareholders. If you wish to oppose approval by the Court of the Scheme at the Court hearing you may do so by filing with the Court, and serving on Andean, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Andean at least one day before the Second Court Date.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of Shareholders.

If the Scheme is not approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Scheme will not proceed and Andean will not apply to the Court for any orders in connection with the Scheme.

ASIC will be asked to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

4.4 Entitlement and ability to vote at the Scheme Meeting and Annual General Meeting

If you are registered as a Shareholder as at 7.00pm on 1 December 2010 (Sydney time), you will be entitled to vote on the resolution to approve the Scheme at the Scheme Meeting and on the Annual General Meeting resolutions.

Shareholders can vote at the Scheme Meeting and Annual General Meeting:

- in person;
- by appointing a proxy to vote for you;
- by corporate representative (if you are a corporate Shareholder); or
- by attorney.

You will be counted as being present at the Scheme Meeting if you vote in any of the ways outlined above.

If you are a Canadian Beneficial Holder, see **section 4.6** for voting instructions.

4.5 Voting at the Scheme Meeting and Annual General Meeting by Shareholders

Voting on the resolution to approve the Scheme will be by poll. Voting on the Annual General Meeting resolutions will also be by poll.

(a) Voting in person

If you wish to vote in person, you should attend the Scheme Meeting and the Annual General Meeting.

(b) Voting by proxy

Your personalised proxy form for the Scheme Meeting and the Annual General Meeting accompanies this Scheme Booklet.

You can appoint a proxy by completing and returning to Andean the enclosed proxy form for the Scheme Meeting and the Annual General Meeting. The proxy form must be received by Andean by no later than 10.00am on 1 December 2010 (Sydney time).

4. Meeting and voting information

You must return the proxy form to Andean by either posting it in the reply paid envelope provided (for use in Australia) or by sending, delivering or faxing it as follows:

Australian Registry:

Mail to:

Computershare Investor Services Pty Limited
GPO Box D182
Perth, WA, 6840

Deliver to:

Computershare Investor Services Pty Limited
Level 2, 45 St. Georges Terrace
Perth, WA, 6000

Fax to:

+61 8 9323 2033

Online:

Alternatively, you may register your proxy instructions electronically at the Australian Share Registry website investorvote.com.au.

For custodians please visit intermediaryonline.com to submit your voting intentions.

Canadian Registry:

Mail to:

Computershare Investor Services Inc.
100 University Avenue
Toronto, Ontario, M5J 2Y1

Deliver to:

Computershare Investor Services Inc.
100 University Avenue
Toronto, Ontario, M5J 2Y1

Fax to:

+ 1 (866) 249 7775

The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of section 14(a) of the US Exchange Act by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in rule 3b-4 under the US Exchange Act.

Accordingly, this Scheme Booklet has been prepared in accordance with disclosure requirements applicable in Australia and Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the US Securities Act and to proxy statements under the US Exchange Act.

(c) Undirected proxies

If a proxy appointment is signed by or validly authenticated by the Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Scheme Meeting or the Annual General Meeting may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Andean company secretary.

If:

- (i) a Shareholder nominates the chairman of the Scheme Meeting or Annual General Meeting as the Shareholder's proxy; or
- (ii) a proxy appointment is signed by a Shareholder but does not name the proxies in whose favour it is given or otherwise under a default appointment according to the terms of the proxy form,

the person acting as chairman in respect of an item of business at the Scheme Meeting and Annual General Meeting must act as proxy under the appointment in respect of that item of business.

Proxy appointments in favour of the chairman of the Scheme Meeting and Annual General Meeting, the Andean company secretary or any Director which do not contain a direction will be voted in support of the Scheme resolution at the Scheme Meeting and in favour of the Annual General Meeting resolutions at the Annual General Meeting.

A Shareholder who has submitted a proxy has the right to appoint a proxy (who need not be a Shareholder) to represent him, her or it at the Scheme Meeting and the Annual General Meeting, other than the chairman of the Scheme Meeting or the Annual General Meeting, by inserting the name of his chosen proxy in the space provided for that purpose on the proxy form. A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes.

A Shareholder who has deposited a proxy form may revoke it prior to its use, by instrument in writing executed by the Shareholder or by his, her or its attorney duly authorised in writing or, if the Shareholder is a company, executed by a duly authorised officer or attorney in compliance with applicable law and deposited at the Australian Registry or

4. Meeting and voting information

the Canadian Registry at any time up to and including the last Business Day preceding the day of the Scheme Meeting and Annual General Meeting or with the chairman of the Scheme Meeting and Annual General Meeting on the day of, and prior to the start of, the Scheme Meeting.

Andean has retained the Proxy Solicitation Agent to solicit proxies from Shareholders.

(d) Voting by corporate representative

To vote in person at the Scheme Meeting and Annual General Meeting a Shareholder or proxy which is a body corporate may appoint an individual to act as its representative.

To vote by corporate representative at the Scheme Meeting and Annual General Meeting, a corporate Shareholder may obtain an appointment of corporate representative form from Andean, complete and sign the form in accordance with the instructions on it, and lodge the form at the registration desk on the day of the Scheme Meeting and Annual General Meeting.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative, is taken as being evidence of a representative having been appointed.

The chairman of the meeting may permit a person claiming to be a representative to exercise the body's powers even if they have not produced a certificate or other satisfactory evidence of their appointment.

(e) Voting by attorney

If a Shareholder executes or proposes to execute any document, or do any act, by or through an attorney which is relevant to the Shareholder's shareholding in Andean, that Shareholder must deliver the instrument appointing the attorney to Andean for notation.

Shareholders wishing to vote by attorney at the Scheme Meeting and Annual General Meeting must, if they have not already presented an appropriate power of attorney to Andean for notation, deliver to Andean (at the address or fax number provided in **section 4.5(b)** of this Scheme Booklet) the original instrument appointing the attorney or a certified copy of it by 10.00 am (Sydney time) on 1 December 2010.

Any power of attorney granted by a Shareholder will, as between Andean and that Shareholder, continue in force

and may be acted on, unless the contrary is evident from the express terms of the power of attorney, or express notice in writing of its revocation or the death of the relevant Shareholder has been lodged with Andean.

4.6 Voting by Canadian Beneficial Holders

If you are not registered as a Shareholder but you are a Canadian Beneficial Holder and wish to attend and vote at the Scheme Meeting and/or the Annual General Meeting, you should read this section for directions on how to vote. Other beneficial holders should consider **section 4.5** and consult their nominee or trustee.

If you are a Canadian Beneficial Holder, you must be appointed by the applicable intermediary as a proxyholder to attend and vote in person at the Scheme Meeting.

Canadian Beneficial Holders who have not objected to their intermediary disclosing certain ownership information about themselves to Andean are referred to as Non-Objecting Beneficial Shareholders. Those Canadian Beneficial Holders who have objected to their intermediary disclosing ownership information about themselves to Andean are referred to as Objecting Beneficial Shareholders.

In accordance with applicable Canadian securities legislation, Andean has elected to seek voting instructions directly from Non-Objecting Beneficial Shareholders. As a result, Non-Objecting Beneficial Shareholders can expect to receive a Voting Instruction Form together with the Scheme Booklet from the Canadian Registry. The Voting Instruction Form is not a proxy and cannot be used as a proxy at the Scheme Meeting. This Voting Instruction Form should be completed and returned to the Canadian Registry in accordance with its instructions. The Canadian Registry will tabulate the results of the Voting Instruction Forms received from Non-Objecting Beneficial Shareholders and provide appropriate instructions at the Scheme Meeting with respect to the Andean Shares represented by such Voting Instruction Forms.

Andean has distributed copies of the Scheme Booklet to intermediaries for distribution to all Objecting Beneficial Shareholders who have not waived their rights to receive these materials. Often, intermediaries will use a service company to forward such documents to Objecting Beneficial Shareholders. With the Scheme Booklet the intermediaries will provide Objecting Beneficial Shareholders with a Voting Instruction Form. The Voting Instruction Form is not a proxy and cannot be used as a proxy at the Scheme Meeting. When properly completed this Voting Instruction Form will constitute voting instructions which the intermediary must follow.

4. Meeting and voting information

The mechanisms described in **section 4.4** for Shareholders to attend and vote at the Scheme Meeting, cannot be used by Canadian Beneficial Holders and the instructions on the Voting Instruction Form must instead be followed. The Voting Instruction Form is provided instead of a personalised proxy form. By returning the Voting Instruction Form in accordance with its instructions, a Canadian Beneficial Holder is able to direct how his, her or its Andean Shares are to be voted at the Scheme Meeting and the Annual General Meeting. However, the Voting Instruction Form does not allow the Shareholder to attend the Scheme Meeting or to vote in person at the Scheme Meeting (except as described above).

Proxies returned by intermediaries as “non-votes” because the intermediary has not received instructions from the Canadian Beneficial Holder with respect to the voting of certain Andean Shares or, where under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Andean Shares on one or more of the matters that come before the Scheme Meeting or the Annual General Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter.

All proxy-related material sent by Andean to Canadian Beneficial Holders has been sent using information (as to name, address and shareholdings) obtained from the intermediaries pursuant to, and in accordance with, applicable securities legislation. By electing to send materials directly to Non-Objecting Beneficial Shareholders, Andean (and not the intermediary) has assumed responsibility for (i) delivering the Scheme Booklet to you; and (ii) executing proper voting instructions.

4.7 Notice Record Date and Voting Record Date

The Directors have fixed:

- 26 October 2010 as the Notice Record Date, which is the date for determining which Canadian Beneficial Holders must be provided with the notice of Scheme Meeting, notice of Annual General Meeting and Voting Instruction Form; and
- 1 December 2010 as the Voting Record Date which entitles Shareholders recorded on the Share Register at 7.00pm (Sydney time) on such date to vote at the Scheme Meeting and the Annual General Meeting.

Any person who becomes a Shareholder by acquiring Andean Shares between the Notice Record Date and the Voting Record Date and wishes to vote at the Scheme Meeting or Annual General Meeting by proxy should contact the Canadian Registry or Australian Registry for further information on how to do so. Any person who becomes a Canadian Beneficial Holder between the Notice Record Date and the Voting Record Date and wishes to vote at the Scheme Meeting or Annual General Meeting should contact their broker or intermediary for instructions on how to do so.

4.8 Shareholder Information Line

If, after reading this Scheme Booklet, you have any questions about the Merger, Scheme or the Scheme Meeting, please contact:

- in North America by telephone at 1-888-518-1561 (toll free);
- outside of North America by telephone at +1-416-867-2272;
- in Australia by telephone at 1300 748 255 (toll free);
- by email at contactus@kingsdaleshareholder.com,

or consult your legal, investment, taxation or other professional adviser.

4.9 Further information

Further information relating to details of the resolutions are contained in the notice convening the Scheme Meeting which is set out in **Annexure I** to this Scheme Booklet and the notice convening the Annual General Meeting and the AGM Explanatory Statement and Management Information Circular which are set out in **Annexure J**.

If you have any questions in relation to the Merger, please contact your legal, taxation, financial or other professional adviser.

5. Key considerations



5. Key considerations

The purpose of **section 5** is to identify significant issues for you to consider in relation to the Scheme.

Before deciding how to vote at the Scheme Meeting and making your Election, you should carefully consider the factors discussed below and the risk factors outlined in **section 10**, as well as the other information contained in this Scheme Booklet.

5.1 Background

On 3 September 2010, Goldcorp and Andean announced that they had entered into the Merger Implementation Agreement in relation to the Merger. Under the Merger, Goldcorp will acquire all of the Andean Shares through a scheme of arrangement under Australian law.

5.2 What you will receive under the Scheme

Set out below are the Scheme Consideration alternatives and steps Shareholders will need to take to receive their preferred Scheme Consideration.

(a) The alternatives

Under the Scheme, Scheme Participants, that is, each person who is a registered shareholder of Andean (other than Ineligible Foreign Shareholders) can elect to receive their Scheme Consideration in one of three alternative forms:

- (i) Cash Consideration in respect of each of their Andean Shares, subject to scale-back on a pro-rata basis;
- (ii) Share Consideration in respect of each of their Andean Shares; or
- (iii) Mixed Consideration, being a combination of Cash Consideration in respect of a portion of their Andean Shares and Share Consideration in respect of the remainder of their Andean Shares.

Details of how to make Elections are set out in **section 5.2(e)** below.

(b) Cash Consideration

The Cash Consideration will be comprised of C\$6.50 in cash per Andean Share.

The Cash Consideration alternative is subject to a maximum total Cash Consideration of C\$1 billion, being the Total Cash Pool.

Shareholders can elect to receive C\$6.50 per Andean Share in cash for any or all of their Andean Shares, subject to a Total Cash Pool of C\$1 billion. If Shareholders elect, in aggregate, to receive more than C\$1 billion in Cash Consideration, the Total Cash Pool will be pro-rated among Shareholders who elected to receive Cash Consideration

and the balance of their Andean Shares will be exchanged for New Goldcorp Shares.

The extent to which Elections for Cash Consideration are scaled back will depend on Elections made by Scheme Participants. **Section 5.2(i)** below explains the scale-back mechanism in more detail and provides examples of scaling outcomes.

(c) Share Consideration

The Share Consideration will be comprised of 0.14 New Goldcorp Shares per Andean Share.

(d) Mixed Consideration

Mixed Consideration will be comprised of a combination of Cash Consideration and Share Consideration.

(e) How to make an Election

Scheme Participants can make their Election by completing the Election Form which accompanies this Scheme Booklet and:

Posting it to the Australian or Canadian Registry in the reply paid envelope provided, or if you are outside of Australia or do not otherwise use the reply paid envelope, to Computershare Investor Services Pty Limited or Computershare Investor Services Inc.

Australian Registry

Mail to:

Computershare Investor Services Pty Limited
GPO Box D182
Perth, WA, 6840

Deliver to:

Computershare Investor Services Pty Limited
Level 2, 45 St. Georges Terrace
Perth, WA, 6000

Fax to:

+61 8 9323 2033

Canadian Registry:

Mail to:

Computershare Investor Services Inc.
100 University Avenue
Toronto, Ontario, M5J 2Y1

Deliver to:

Computershare Investor Services Inc.
100 University Avenue
Toronto, Ontario, M5J 2Y1

5. Key considerations

In the case of Canadian Beneficial Holders, in the manner described in **section 5.2(f)** below. Other beneficial holders and Shareholders holding as trustee or nominee should consider **section 5.2(h)** for directions on Elections.

If you wish to receive Share Consideration in the form of New Goldcorp Shares, you do not need to return the Election Form. The Share Consideration will be issued to you without any Election on your part provided you hold Andean Shares at the Record Date.

Election Forms must be received by the Australian Registry or the Canadian Registry by the Election Deadline (expected to be 16 December 2010). Election Forms received after the Election Deadline will not be processed. Scheme Participants who do not make an Election, or fail to make an Election before the Election Deadline, will receive Share Consideration in respect of each Andean Share held by them at the Record Date.

Elections must be made in accordance with the terms set out in the Election Form. Elections not made in accordance with the terms set out in the Election Form will be invalid. Scheme Participants who do not make a valid Election will receive Share Consideration in respect of each Andean Share held by them at the Record Date.

(f) Elections by Canadian Beneficial Holders

Only registered Shareholders are entitled to make an Election. Canadian Beneficial Holders will not be entitled to submit Elections directly to Andean. However, Andean has requested Canadian Depositary Services Inc. (CDS) to establish an electronic facility which will allow the intermediaries (brokers and similar institutions who are members of CDS) to communicate the Election instructions they receive from the Canadian Beneficial Holders they represent to CDS who will, in turn, make the Election as the registered Shareholder. Shareholders who are Canadian Beneficial Holders should contact their investment advisor to determine how their Election can be made in this manner. Canadian Beneficial Holders should be aware that the deadline for providing Election instructions to CDS will be 7.00pm (Toronto time) on 15 December 2010. Canadian Beneficial Holders may also contact Kingsdale Shareholder Services at the numbers set out on the back page of this Scheme Booklet for further information and assistance.

(g) What happens if no Election is made?

Scheme Participants who have not made a valid Election by the Election Deadline will receive Share Consideration for each Andean Share held by them at the Record Date.

(h) Trustee or nominee Shareholders

A Shareholder holding one or more parcels of Andean Shares as trustee or nominee for, or otherwise on account of, another person, may make separate Elections in relation to each of those parcels to reflect the instructions of the beneficial owners of the Andean Shares as to how they wish to receive their Scheme Consideration.

In order to make separate Elections, the trustee or nominee should establish separate holdings on the relevant Register (each with a separate holder identification number (ie HIN)), pooling Elections for the Andean Shares they hold into separate holdings based on the Scheme Consideration of the beneficial holders.

Separate holdings must be established prior to the Record Date in order to make separate Elections for Scheme Consideration in relation to each holding.

The trustee or nominee should then lodge a separate Election Form for each separate holding by the Election Deadline. The Scheme Consideration payable in respect of each separate holding will be calculated on the total balance of the holding, not individual beneficial holder entitlements.

A Shareholder who wishes to make separate Elections should contact the Andean Shareholder Information Line:

- in North America by telephone at 1-888-518-1561 (toll free);
- outside of North America by telephone at +1-416-867-2272;
- in Australia by telephone at 1300 748 255 (toll free); or
- by email at contactus@kingsdaleshareholder.com,

or for further information or to obtain additional copies of the Election Form or consult your legal, investment, taxation or other professional adviser.

Further details regarding the scale-back mechanism

(i) Why might a scale-back occur?

As described above, the Cash Consideration is subject to a Total Cash Pool of C\$1 billion.

Scaling back only applies to the Cash Consideration alternative if insufficient cash is available to satisfy every Cash Consideration Election by Scheme Participants.

5. Key considerations

(ii) If scaling back is not necessary:

- Scheme Participants who elect Cash Consideration will receive the Cash Consideration, consisting of C\$6.50 in cash for each Andean Share held by them at the Record Date in respect of which they elected Cash Consideration;
- Scheme Participants who elect Share Consideration (or who have not made a valid Election by the Election Deadline) will receive the Share Consideration, consisting of 0.14 New Goldcorp Shares for each Andean Share held by them at the Record Date in respect of which they elected Share Consideration or made no valid Election by the Election Deadline; and
- Scheme Participants who elect Mixed Consideration will receive the Cash Consideration in respect of Andean Shares held by them at the Record Date for which they elected Cash Consideration and Share Consideration in respect of Andean Shares held by them at the Record Date for which they elected Share Consideration, in accordance with their Election Form.

(iii) If scaling back occurs

If scaling back is necessary, Scheme Participants who have elected to receive Cash Consideration in respect of Andean Shares held by them at the Record Date will receive Cash Consideration in respect of only a portion of those Andean Shares.

If the aggregate number of Andean Shares in respect of which all of the Scheme Participants validly elect Cash Consideration multiplied by the Cash Consideration amount of C\$6.50 exceeds the Total Cash Pool, each Scheme Participant who elected Cash Consideration in respect of Andean Shares held by them at the Record Date:

- will only be entitled to receive Cash Consideration in respect of that number of Andean Shares (AS) as calculated in accordance with the following formula (rounded down to the nearest whole number):

$$AS = A \times \frac{\text{C\$1 billion}}{B}$$

Where:

“A” = the number of Andean Shares in respect of which Scheme Participants validly elect to receive Cash Consideration; and

“B” = the aggregate number of the Andean Shares in respect of which all of the Scheme Participants validly elect to receive Cash Consideration multiplied by the Cash Consideration amount of C\$6.50; and

- will be entitled to receive Share Consideration for the remainder of their Andean Shares.

(j) Paying the Scheme Consideration

Goldcorp has entered into the Deed Poll under which it has agreed, in favour of Scheme Participants, to provide the Scheme Consideration in accordance with the Scheme.

If the Scheme becomes Effective:

- you will be paid the Cash Consideration to which you are entitled by cheque sent on the Implementation Date; and
- the Share Consideration to which you are entitled will be issued to you on the Implementation Date and your share certificates for New Goldcorp Shares will be sent to you as soon as practicable after the Implementation Date.

The cheques may be drawn at the discretion of Andean in Australian or Canadian dollars.

(k) Ineligible Foreign Shareholders

Restrictions in certain foreign countries may make it impractical or unlawful for New Goldcorp Shares to be offered or issued under the Scheme to Shareholders in those countries.

Scheme Participants whose address as shown on the Andean Share Register at the Record Date is outside of Australia and its external territories, New Zealand, the United States and Canada will be regarded as Ineligible Foreign Shareholders for the purposes of the Scheme.

Goldcorp is under no obligation to issue and allot New Goldcorp Shares comprising the Scheme Consideration to any Ineligible Foreign Shareholder.

In the case of each Ineligible Foreign Shareholder, Goldcorp must issue and allot the New Goldcorp Shares to which the Scheme Participant would have been entitled (were they not an Ineligible Foreign Shareholder) to the Sale Agent, and procure that the Sale Agent:

- (i) as soon as practicable (and in any event within 20 Business Days after the Implementation Date) in the ordinary course of trading on the TSX, sells those New Goldcorp Shares; and

5. Key considerations

- (ii) pay to each Ineligible Foreign Shareholder an amount equal to the average net proceeds of sale rounded down to the nearest cent (after deduction of any applicable brokerage, taxes and charges) of all New Goldcorp Shares sold multiplied by the number of New Goldcorp Shares to which that Ineligible Foreign Shareholder would have been entitled (were they not an Ineligible Foreign Shareholder).

If you are an Ineligible Foreign Shareholder, you will receive the proceeds of the sale of your New Goldcorp Shares by a cheque drawn on a bank considered appropriate by the Sale Agent in Australian or Canadian dollars. You will receive this cheque by pre-paid airmail post sent to your address as it appears on the Share Register on the Record Date.

The Sale Agent is authorised to effect any conversion of the proceeds of sale in such manner as it deems appropriate (acting reasonably) and to deduct any costs, charges or expenses associated with such conversion from the amount paid to the relevant Ineligible Foreign Shareholders.

Andean, Goldcorp and the Sale Agent give no assurance as to the price that will be achieved from the sale of New Goldcorp Shares for Ineligible Foreign Shareholders by the Sale Agent.

- (i) Information relevant to your Election decision

The decision whether to elect to receive Cash Consideration, Share Consideration or Mixed Consideration will depend on your individual circumstances.

You should seek advice from your own legal, investment, taxation or other professional adviser before deciding how to make an Election.

- (i) Share consideration

New Goldcorp Shares will be common shares in the share capital of Goldcorp (the equivalent of "ordinary shares" in Australian companies).

New Goldcorp Shares will be listed on the TSX and the NYSE. Accordingly, investors who wish to trade New Goldcorp Shares on the open market will need to do so on the TSX or the NYSE. Such trades must be undertaken through a broker entitled to trade on the TSX or the NYSE. Not all Australian brokers are able to trade securities on the TSX or the NYSE.

New Goldcorp Shares will be quoted and traded on the TSX in Canadian dollars. The Australian dollar value of New Goldcorp Shares will depend on the Australian dollar/Canadian dollar exchange rate.

New Goldcorp Shares will be quoted and traded on the NYSE in US dollars. The Australian dollar value of New Goldcorp Shares will depend on the Australian dollar/US dollar exchange rate.

The value of the New Goldcorp Shares may increase or decrease after the Implementation Date based on movements in the Canadian dollar/Australian dollar and US dollar/Australian dollar exchange rates.

- (ii) Cash Consideration

If you receive Cash Consideration, its A\$ value may change prior to the Implementation Date based on movements in the Canadian dollar/Australian dollar exchange rate.

Your Directors give no assurances as to the A\$ value of the Cash Consideration. The Canadian dollar/Australian dollar exchange rate at selected dates is set out in the table below. The table shows the value of one Canadian dollar in Australian dollar terms.

	Year ended 31 December			Six months ended
	2009	2008	2007	30 June 2010
High	\$1.2758	\$1.3291	\$1.1920	\$1.1583
Low	\$1.0181	\$1.0181	\$1.0555	\$1.0429
Average	\$1.1187	\$1.1158	\$1.1142	\$1.0833
Period end	\$1.0644	\$1.1696	\$1.1534	\$1.1120

The exchange rate on 25 October, 2010, Toronto (the latest practicable date prior to the finalisation of this Scheme Booklet), as reported by the Bank of Canada for the conversion of Australian dollars into Canadian dollars, was A\$1.00 equals C\$1.0129 and C\$1.00 equals A\$0.9873.

5. Key considerations

(iii) Fractional entitlements

If, pursuant to the calculation of your Scheme Consideration, you would be entitled to a fraction of a New Goldcorp Share that equals or exceeds one half, the number of New Goldcorp Shares to which you are entitled will be rounded up to the nearest whole number. In the case of an entitlement to less than one half of a New Goldcorp Share, your entitlement will be rounded down to the nearest whole number.

5.3 Directors' recommendation

The Directors believe that the Scheme is in the best interests of Shareholders, and they unanimously recommend that Shareholders vote in favour of the Scheme in the absence of a Superior Proposal.

The Directors have formed their conclusion and made their recommendation on the Scheme based on the reasons outlined in **section 5.4** below.

The Directors (set out in **section 6.6**) intend to vote all their Andean Shares in favour of the Scheme.

5.4 Reasons to vote in favour of the Scheme

(a) Your Directors recommend the Scheme

Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme.

(b) The Independent Expert has concluded that the Scheme is in your best interests

The Independent Expert, Grant Samuel, has reviewed the terms of the Scheme and concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable, and in the best interests of Shareholders.

The Independent Expert has assessed the fair value of Andean Shares to be in the range of A\$5.89 to A\$6.85 (C\$5.89 to C\$6.85) per Andean Share. The Independent Expert has estimated the value of the Scheme Consideration to be in the range of A\$6.02 to A\$6.58 (C\$6.02 to C\$6.58) per Andean Share which is in the range of the assessed fair value of Andean Shares. Accordingly, the Independent Expert has concluded that the Scheme is fair and reasonable, and in the best interests of Shareholders.

Shareholders should understand that the value of the Share Consideration could change, potentially significantly, as a result of changes in the gold price, exchange rates or the operational prospects for the assets of Goldcorp and

Andean, or for other reasons. More information in relation to these risks is set out in **section 10** of this Scheme Booklet and in the Independent Expert's Report.

A copy of the Independent Expert's Report is set out in **Annexure A** to this Scheme Booklet. This report should be read in its entirety, including the assumptions on which the conclusions are based.

(c) The value of the Scheme Consideration represents a substantial premium over the pre-announcement trading prices for Andean Shares

Based on the 2 September 2010 closing price of Goldcorp Shares on the TSX (the last TSX trading day before the Announcement Date), the implied value of the Scheme Consideration was C\$6.47 per Andean Share (assuming all Shareholders elect the Cash Consideration and are scaled back on a pro-rata basis), which represents:

- (i) a 35% premium to Andean's closing price on the TSX on 2 September 2010; and
- (ii) a 56% premium to Andean's 20-day volume weighted average trading price on the TSX as at 2 September 2010.

The implied value of the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Goldcorp Share price.

The A\$ value of the Cash Consideration and the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Canadian dollar/Australian dollar exchange rate.

The value of the New Goldcorp Shares may increase or decrease after the Implementation Date based on movements in the Canadian dollar/Australian dollar and US dollar/Australian dollar exchange rates.

Based on the 25 October 2010 (Toronto) closing price of Goldcorp Shares on the TSX of C\$43.55 (the latest practicable date prior to the finalisation of this Scheme Booklet), the implied value of the Share Consideration was C\$6.10 per Andean Share. The implied value of the Share Consideration has been as high as C\$6.45 per Andean Share and as low as C\$5.93 per Andean Share between the Announcement Date and that date.

(d) You have the opportunity to receive New Goldcorp Shares and participate in the future performance of a company that is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world⁸

⁸ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

5. Key considerations

Your Directors believe that ownership of New Goldcorp Shares will provide you with a number of benefits, including the following:

- (i) Exposure to a large, diversified portfolio of assets in low risk geographic areas which, in aggregate, represents one of the largest resource bases among listed gold producers

Goldcorp is the second largest publicly-listed gold producer in the world by market capitalisation with the majority of its mining operations in Canada, United States, Mexico, Guatemala, Chile and Argentina. As a result, Goldcorp benefits from attractive operational and geopolitical diversification.

- (ii) Immediate access to low cost production and cash flow
- Goldcorp is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world⁹. During 2009, Goldcorp generated cash flow from operations of US\$1.2 billion. In the first half of 2010, due to the continued ramp up of the Peñasquito Project and as a result of strengthening gold prices, Goldcorp generated US\$0.7 billion in cash flow from operations.

- (iii) Exposure to an attractive growth profile

Goldcorp has grown its production from 1.1 million gold ounces in 2005 to 2.55 million gold ounces in 2010 organically and through acquisitions. Goldcorp currently has an interest in 10 operating gold mines, two projects under construction and a portfolio of advanced projects. Goldcorp's five-year plan projects growth of over 50% in annual gold production from 2.4 million ounces in 2009 to 3.7 million ounces in 2014 through increased production at the Red Lake Gold Mines and the Cochenour deposit in Canada, the ramping up of the Peñasquito Mine in Mexico and commencement of operations at the Pueblo Viejo project in the Dominican Republic.

- (iv) Ownership of a company with a strong financial position to fund the continued development of the Cerro Negro Project and the development of new projects

Goldcorp has the financial strength to fund the continued development of Andean's Cerro Negro Project as well as its existing operations and development projects. Based on the unaudited pro forma financial statements of Goldcorp as at 30 June 2010 included in this Scheme Booklet, the Combined Group would have had pro forma cash and cash equivalents of approximately US\$194.4 million and has unused credit

facilities available to it of approximately US\$1.1 billion as at 30 June 2010. Goldcorp generated cash flow from operations of US\$1.3 billion and US\$0.7 billion for the 12 months ended 31 December 2009 and the six months ended 30 June 2010, respectively. Goldcorp established a monthly dividend policy in 2001 and has paid a dividend each month since then. Goldcorp has demonstrated the ability to access the equity and debt capital markets on a consistent basis when needed as evidenced by its recent issue of Goldcorp Notes in June 2009.

- (v) Ownership of a company with a credible and experienced management team with the skills, resources and track record of developing major mining projects such as the Cerro Negro Project

Goldcorp has a credible and experienced management team with a proven track record of developing, building and operating world-class mining projects. For example, Goldcorp recently completed its US\$1.6 billion 130,000 tonne per day open-pit Peñasquito Mine in Mexico. Goldcorp acquired the Peñasquito Mine in 2006 and since the acquisition has expanded the gold resource base by 75%, and completed construction and commissioning on schedule and on budget. Goldcorp also has an experienced team of underground mine builders and operators with skills extending from reserve development, to mine construction, to successful operations as evidenced by Goldcorp's Red Lake Mines, one of the world's highest grade underground gold mines. With an estimated US\$1.4 billion of operating cash flow in 2010, Goldcorp believes that it has both the financial and human resources required to bring its pipeline of projects, including Cerro Negro, to completion within its budgeted timeframes.

- (vi) Established track record in Argentina

Goldcorp has a 37.5% interest in the operating Alumbrera Mine in Argentina. Goldcorp acquired this interest through its merger with Wheaton River Minerals in 2006.

- (vii) Participation in future upside potential of Andean's assets

Ownership of Goldcorp securities provides an opportunity to leverage Goldcorp's development expertise, financial and management resources and Argentine experience to participate in the value creation associated with the successful development of the Cerro Negro Project as well as Goldcorp's other development assets.

⁹ This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

5. Key considerations

- (e) Shareholders have the opportunity to elect to receive C\$6.50 per Andean Share in cash, subject to scale back on a pro-rata basis

Shareholders can elect to receive C\$6.50 per Andean Share in cash for any or all of their Andean Shares, subject to a Total Cash Pool of C\$1 billion. If Shareholders elect, in aggregate, to receive more than C\$1 billion in Cash Consideration, the Total Cash Pool will be pro-rated among Shareholders who elected to receive Cash Consideration and the balance of their Andean Shares will be exchanged for New Goldcorp Shares.

- (f) You will benefit from the greater liquidity and stronger capital market presence of Goldcorp

As at 2 September 2010, Goldcorp had a market capitalisation of C\$34.0 billion on a non-diluted basis (versus Andean's market capitalisation of C\$2.6 billion on a non-diluted basis as at the same date). Goldcorp is listed on both the TSX and the NYSE and is actively traded on both stock exchanges with the average trading value of Goldcorp Shares being approximately US\$365 million per day compared to the average trading value of Andean Shares of A\$6 million per day (based on the historical trading of Goldcorp on the TSX and the NYSE and Andean on ASX and the TSX during the three months leading up to the Announcement Date. Goldcorp is a member of the S&P/TSX 60 Index and the NYSE Composite Index, in addition to several other indices. Goldcorp is currently covered by 21 equity research analysts (while Andean is currently covered by 12 equity research analysts).

Goldcorp has applied to the TSX and NYSE to have the New Goldcorp Shares approved (subject to normal conditions) for listing on the TSX and NYSE.

- (g) Your Directors believe the Merger is the most attractive alternative for Shareholders

You should be aware the Merger arose as a result of discussions that Andean had with a select group of suitors following the receipt of an unsolicited proposal from a third party. Your Directors believe that the Scheme was the most attractive proposal arising out of those discussions and determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company.

- (h) Australian residents for taxation purposes who receive New Goldcorp Shares should generally be able to obtain CGT scrip-for-scrip roll-over relief on any capital gains

Australian residents for taxation purposes who would otherwise realise a capital gain on the disposal of their Andean Shares in return for New Goldcorp Shares under the Scheme should generally be able to obtain CGT scrip-for-scrip roll-over relief.

Further details in relation to tax considerations can be found in **section 9** of this Scheme Booklet.

- (i) Eligible Holders for Canadian tax purposes who receive New Goldcorp Shares may be able to obtain a full or partial tax deferral

Eligible Holders for Canadian tax purposes who receive New Goldcorp Shares in exchange for their Andean Shares may be able to obtain a full or partial tax deferral in respect of the disposition of their Andean Shares.

Further details in relation to Australian, Canadian and US tax considerations can be found in **section 9** of this Scheme Booklet.

- (j) Shareholders will not be required to pay any brokerage costs
Shareholders (other than Ineligible Foreign Shareholders) will not be required to pay any brokerage or other costs in connection with the disposal of their Andean Shares under the Scheme.

- (k) If the Scheme is not implemented, and no alternative proposal emerges, the Andean Share price may fall

If the Scheme is not implemented and no alternative proposal emerges, Andean will remain an independent company and will continue to explore and advance the Cerro Negro Project. Should this occur, your Directors expect that the Andean Share price will trade below its current trading levels in the near term (although it is difficult to predict the Andean Share price movement with any certainty).

5.5 Possible disadvantages of the Scheme

Your Directors have had regard to the reasons set out in **sections 5** and **8** in recommending that you vote in favour of the Scheme. The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of Shareholders. However, you are not obliged to accept the Directors' recommendation or the view of the Independent Expert. Some of the reasons why you may decide to vote against the Scheme are set out below. You should note that if you decide to vote against the Scheme, it may still be implemented if it is approved by the Requisite Majority of Shareholders and by the Court.

5. Key considerations

- (a) You may disagree with your Directors' recommendation or the Independent Expert's conclusion.

You may not agree with the Directors' unanimous recommendation or the Independent Expert's conclusion.

- (b) The Combined Group may be subject to a number of risks to which Andean is not currently exposed.

If the Scheme becomes Effective, Scheme Participants will be entitled to receive the Scheme Consideration, which may be in the form of New Goldcorp Shares (subject to their ability to elect to receive C\$6.50 in cash per Andean Share and to scale back if the Total Cash Pool would be exceeded).

The value of New Goldcorp Shares will be influenced by a range of factors, many of which will be beyond the control of the Combined Group. These risk factors include general risks associated with

- financial matters;
- business and operations;
- specific projects;
- acquisitions;
- New Goldcorp Shares; and
- the Combined Group.

Exploration and mining companies are generally exposed to many of these risks. The Andean businesses which will form part of the Combined Group face many of these risks already and they are therefore risks to which you already have some exposure. However, a number of risks will be new and could be potentially greater in impact than is currently the case in relation to Andean.

Further details of these risks can be found in **section 10** of this Scheme Booklet.

- (c) You will be exposed to differences between applicable corporations and securities laws

Andean is incorporated in Australia and Goldcorp is incorporated in the Province of Ontario, Canada. If the Scheme is implemented, Shareholders, whose rights are currently governed by the laws of Australia and the constitution of Andean, who receive the Share Consideration will become holders of New Goldcorp Shares. The rights of holders of New Goldcorp Shares will be governed by Ontario law and Goldcorp's articles of amalgamation and by-laws.

Currently, Australian resident Shareholders wishing to take action to enforce provisions of Andean's constitution or corporations or securities laws as they relate to Andean, may take action in Australian courts, applying Australian

laws. After implementation of the Merger, such actions in relation to Goldcorp, will be determined in accordance with Ontario law. An Australian Shareholder would be entitled to seek enforcement of applicable laws in the same manner as a Canadian Shareholder.

Although some of the material differences between Australian company law and Ontario corporate law as they relate to Andean and Goldcorp respectively could be viewed as advantageous to Shareholders, others could be viewed as disadvantageous to Shareholders.

Further details of the differences between applicable company laws can be found in **Annexure E**.

- (d) You may not want to change your current investment profile

The operational profile, capital structure, size, share liquidity and geographic exposure of the Combined Group will be different from that of Andean on a stand-alone basis.

It is possible that certain Shareholders may wish to maintain an interest in Andean as an independent company because they are seeking an investment in a listed company with the specific characteristics of Andean.

- (e) You may prefer Andean to be exposed to the opportunity for increased value from remaining as a stand-alone entity

You may believe that Andean will continue to grow and Shareholders will have the opportunity for greater returns over the long term by continued investment in Andean as an independent company and exposure to the Cerro Negro Project.

In assessing and recommending the Scheme, your Directors evaluated the benefits of Andean continuing as an independent company against Andean's current business plan and other strategic alternatives.

In deciding that they should recommend the Merger to Shareholders, your Directors determined that, on balance the earlier and more certain value represented by the Merger was more favourable than the strategic options that might otherwise be available to Andean as an independent company.

- (f) A Superior Proposal for Andean may materialise in the future

It is possible that, if Andean were to continue as an independent company, a Superior Proposal for Andean which is more attractive for Shareholders than the Scheme may materialise in the future. Your Directors are not currently aware of any such proposals. The implementation of the Scheme would mean that you would not obtain the benefit of any such proposal.

5. Key considerations

You should be aware that the Merger arose as a result of discussions that Andean had with a select group of suitors following the receipt of an unsolicited proposal from a third party. Your Directors believe that the Scheme was the most attractive proposal arising out of those discussions and determined that, on balance, the earlier and more certain value represented by the Merger was more favourable to Shareholders than the strategic options that might otherwise be available to Andean as an independent company.

Until the Scheme is approved by Shareholders, there is nothing preventing other parties from making unsolicited Acquisition Proposals for Andean.

Your Directors may consider an unsolicited proposal that is or would reasonably be expected to result in a Superior Proposal, but Andean may not solicit competing proposals. Goldcorp has the right, but not the obligation, to match any Superior Proposal.

If a Superior Proposal for Andean emerges prior to the Scheme Meeting your Directors will carefully consider the proposal and will inform you of any material developments.

Further details can be found in **section 11.4**.

- (g) The exact value of the Scheme Consideration on implementation of the Scheme is not certain

The exact value of the Scheme Consideration that would be realised by Scheme Participants upon implementation of the Scheme is not certain because it is dependent on the price at which Goldcorp Shares trade at the Implementation Date, the Canadian dollar/Australian dollar exchange rate at the Implementation Date, and the elections of Shareholders to receive all or part of the Scheme Consideration in cash.

If the market value of Goldcorp Shares declines, the value of the Share Consideration received by Scheme Participants will decline as well. Variations in the price of Goldcorp Shares may occur as a result of changes in, or market perceptions of changes in, the business, operations or prospects of Goldcorp, regulatory considerations, general market and economic conditions, commodity price changes, changes in currency exchange rates and other factors over which Goldcorp has no control.

The value of Andean Shares is also subject to similar uncertainty as a result of, among other things, commodity price changes, which are beyond the control of Andean.

- (h) You will need to trade your New Goldcorp Shares on the TSX or the NYSE as the New Goldcorp Shares will not trade on ASX

New Goldcorp Shares will be listed on the TSX and the NYSE but will not be listed on ASX. If you receive New Goldcorp Shares, you will only be able to trade your New Goldcorp Shares on the TSX or the NYSE.

In order for Australian Scheme Participants to sell any New Goldcorp Shares they receive, they will be required to establish an international trading account with an Australian broking firm and pay brokerage on the sale of New Goldcorp Shares.

- (f) US Holders who exchange Andean Shares under the Scheme may be subject to US federal income tax

US Holders who exchange Andean Shares under the Scheme for the Cash Consideration, the Share Consideration or the Mixed Consideration may be subject to US federal income tax with respect to any gain therefrom.

Further details in relation to tax considerations can be found in **section 9** of this Scheme Booklet.

5.6 Other relevant considerations

- (a) The Scheme is conditional

The Scheme is conditional on approval by the Requisite Majority of Shareholders and by the Court.

The Merger is also conditional on a number of other conditions, which are set out in **sections 11.2** and **11.3** of this Scheme Booklet. As at the date of this Scheme Booklet, your Directors are not aware of any matter which they expect will result in a breach of, or lead to non-performance of, any of those conditions.

- (b) All or nothing proposal

If all the conditions to the Merger are satisfied or waived (as applicable):

- the Scheme will bind all Scheme Participants, including those who do not vote on the proposal and those who vote against it, meaning that all Scheme Participants will have their Andean Shares transferred to Goldcorp and will receive the Scheme Consideration;
- Andean will become a wholly-owned subsidiary of Goldcorp; and
- Andean will be delisted from the TSX and ASX.

5. Key considerations

(c) What happens if the Scheme is not implemented?

If any of the conditions to the Merger are not satisfied or waived, the Merger Implementation Agreement may be terminated and the Merger will not be implemented.

The consequences of the Scheme not being implemented include:

- Scheme Participants will retain their Andean Shares, will not receive the Scheme Consideration, and will continue to be exposed to the risk associated with their investment in Andean Shares;
- the existing Andean Board and management will continue to operate Andean's business;
- the expected benefits of the Merger (as set out in section 5.4) will not be realised;
- Andean will have incurred significant costs and management time and resources for no outcome; and
- Andean may be liable to pay the Break Fee to Goldcorp (see section 11.5).

(d) Risks if the Merger does not proceed

- (i) There can be no certainty that the Merger will be completed. Failure to complete the Merger could negatively impact the Andean Share price

The completion of the Merger is subject to a number of conditions precedent, certain of which are outside the control of Andean. There can be no certainty, nor can Andean provide any assurance, that these conditions will be satisfied or waived, or if satisfied, when they will be satisfied. If the Merger is not completed, the market price of Andean Shares may decline to the extent that the market price reflects an assumption that the Scheme will be completed.

(ii) Transaction costs

Andean will incur significant transaction costs in connection with the Merger. Andean will be obliged to pay fees and other expenses related to the Merger of approximately A\$34 million, including filing fees, legal and accounting fees, fees to the Independent Expert and Independent Technical Specialist, regulatory fees and mailing costs.

(iii) Break fee may become payable

Andean may be required to pay the Break Fee in certain circumstances. See section 11.5 of this Scheme Booklet for more information.

(e) Support of Sentient

Sentient, Andean's largest shareholder, holding approximately 20.5% of the Andean Shares on issue as at the date of the Scheme Booklet, has entered into a Call Option Agreement with Goldcorp in respect of 107,909,316 Andean Shares held by Sentient (representing approximately 19.7% of the Andean Shares on issue as at the date of the Scheme Booklet).

Separately, Sentient has advised Andean that it intends to vote its Andean Shares in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude, that the Scheme is in the best interests of Shareholders.

5.7 Assessing the choice of Cash Consideration or Share Consideration

Section 5.2 identifies some general considerations that may be relevant to deciding how to make an Election. You should be aware that:

- the implied value of the Share Consideration may increase or decrease prior to the Implementation Date based on movements in the Goldcorp Share price and movements in the Canadian dollar/Australian dollar exchange rate;
- the value of the New Goldcorp Shares may increase or decrease after the Implementation Date based on movements in the Canadian dollar/Australian dollar and US dollar/Australian dollar exchange rates;
- the A\$ value of the Cash Consideration may increase or decrease prior to the Implementation Date based on movements in the Canadian dollar/Australian dollar exchange rate; and
- the value of the Scheme Consideration upon implementation of the Scheme is dependent on the Elections of Shareholders to receive all or a portion of the Scheme Consideration in cash.

You should read the general outline of taxation considerations in section 9 of this Scheme Booklet and consider your own personal taxation position and your other personal circumstances. **If you are in any doubt as to the course you should take with respect to your choice of Scheme Consideration or the Merger generally, you should consult your legal, investment, taxation, or other professional adviser.**

5. Key considerations

5.8 What are your options and what should you do?

You have the following four options in relation to your Andean Shares. Andean encourages you to consider your personal risk profile, portfolio strategy, tax position and financial circumstances and seek professional advice before making any decision in relation to your Andean Shares.

(a) Vote in favour of the Scheme at the Scheme Meeting

Your Directors unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme. The reasons for your Directors unanimous recommendation are set out in **section 5** of this Scheme Booklet.

To vote in favour of the Merger, you need to vote in favour of the Scheme at the Scheme Meeting. For directions on how to vote at this meeting and important voting information generally, please refer to **section 4** of this Scheme Booklet.

(b) Vote against the Scheme at the Scheme Meeting

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Merger, you may vote against the Scheme at the Scheme Meeting.

However, you should note that if all of the conditions to the Merger are satisfied or waived (as applicable), the Scheme will bind all Shareholders, including those who vote against the Scheme at the Scheme Meeting or those who do not vote at all.

Accordingly, even if you do not support the Merger, but you wish to receive Cash Consideration if the Merger proceeds, you need to complete and lodge an Election Form. If you do not lodge a valid Election Form by the Election Deadline and the Merger proceeds, you will receive Share Consideration consisting of 0.14 New Goldcorp Shares for each of your Andean Shares.

(c) Sell your Andean Shares on ASX or the TSX before the Scheme Meeting is held

The existence of the Merger does not preclude you from selling your Andean Shares on market for cash, if you wish, provided you do so before close of trading in Andean Shares on ASX on the Effective Date (currently expected to be 9 December 2010 (Sydney time)) and before close of trading in Andean Shares on TSX (currently expected to be 9 December 2010 (Toronto time)), when trading in Andean Shares will end.

Since the Announcement Date, Andean Shares have traded on ASX and the TSX at prices above the closing share price on 2 September 2010 (being the last full day of trading before the Announcement Date).

If you are considering selling your Andean Shares on ASX or the TSX you should have regard to the prevailing trading prices of Andean Shares at that time.

If you sell your Andean Shares on market for cash, you:

- will not be entitled to receive the Scheme Consideration;
- may incur a brokerage charge; and
- will not be able to participate in a Superior Proposal, if one emerges, noting that, as at the date of this Scheme Booklet, your Directors have not received notice from any third party of an intention to make any competing proposal.

(d) Do nothing

If, despite your Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the conditions to the Merger are satisfied or waived (as applicable), the Scheme will bind all Shareholders, including those who vote against the Scheme at the Scheme Meeting or those who do not vote at all.

Remember, if you want to receive any form of Scheme Consideration, your vote is important. If the Scheme is not approved by the Requisite Majority of Shareholders you will not be entitled to receive any Scheme Consideration.

Accordingly, even if you do not wish to vote at the Scheme Meeting, but you wish to receive Cash Consideration if the Merger proceeds, you need to complete and lodge an Election Form. If you do not lodge a valid Election Form on or before the Election Deadline of 16 December 2010 and the Scheme is implemented, you will receive Share Consideration consisting of 0.14 New Goldcorp Shares for each of your Andean Shares.

6. Information about Andean



6. Information about Andean

6.1 General

This **section 6** contains information in relation to Andean.

The Independent Expert's Report in **Annexure A** to this Scheme Booklet contains further detailed information on Andean.

Andean is listed on both ASX and the TSX. Andean is a "disclosing entity" for the purposes of the Corporations Act and a "reporting issuer" for Canadian securities law purposes and is subject to regular reporting and disclosure obligations under the Corporations Act, ASX Listing Rules and TSX disclosure requirements. Andean is required to notify ASX and the TSX (subject to certain exceptions) immediately after it becomes aware of any information concerning Andean which a reasonable person would expect to have a material effect on the price or value of Andean Shares.

Copies of announcements made by Andean to ASX are available on the ASX website (asx.com.au) and under Andean's profile on SEDAR (sedar.com).

6.2 Locations

New South Wales

Andean's registered office for Australian law purposes is at Level 61 MLC Centre, 19-29 Martin Place, Sydney, Australia, 2000. Its records office for Canadian law purposes is at the same address.

Argentina

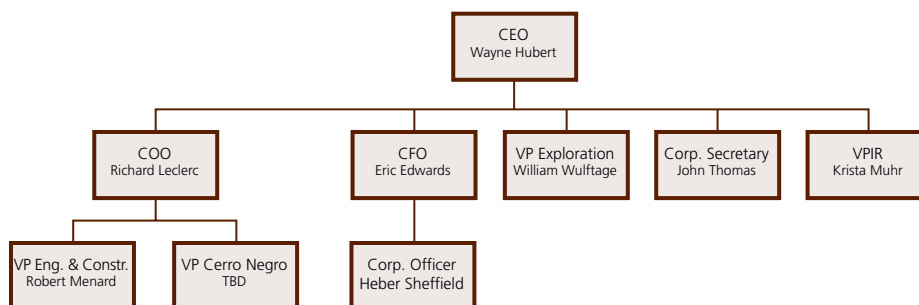
Andean's principal Subsidiary, Oroplata S.A., is incorporated in Argentina and has its registered and records office at Fagnano 2100, Caleta Olivia, Province of Santa Cruz, Republic of Argentina.

Utah

Andean's head office is located at 200 Civic Center Drive, Suite 300, Sandy, Utah, 84070, USA.

6.3 Management structure

Andean's management structure is set out below:



6.4 Cerro Negro Project¹⁰

The general development of the business of Andean has focused on the Cerro Negro Project, a mineral exploration and development area located in the Santa Cruz Province, Argentina. The Cerro Negro Project is held through Andean's wholly-owned Subsidiary, Oroplata S.A.

Newcrest retains a residual royalty on the Cerro Negro Project in the amount of US\$1 million in the event that a proven ore reserve (as defined by the JORC Code) of greater than 1.0 million ounces of gold is delineated and that the constructed plant has achieved its designated operating capacity for 10 consecutive days.

The Cerro Negro Project is located in southern Argentina, southwest of Comodoro Rivadavia in Santa Cruz province. The property is about 345km by road southwest of the coastal city of Comodoro Rivadavia.

Eureka, Bajo Negro and Vein Zone are free milling, non-refractory gold deposits with a combined Mineral Reserve of 7.1 M t at 9.03 g/t Au and 89.70 g/t Ag. Andean's current objective in respect of the Cerro Negro Project is to mine and process these deposits at a rate of 675,000 t/a in the initial years when treating Eureka ore and 895,000 t/a in subsequent years when mill feed is a blend of Bajo Negro and Vein Zone. The expected life of milling operations from commencement of ramp-up is approximately nine years.

¹⁰ Andean engaged Ausenco Solutions Canada, Inc. to prepare a feasibility study on the Cerro Negro Project in accordance with NI 43-101 entitled "Technical Report on the Cerro Negro Feasibility Study Santa Cruz Province, Argentina" dated 20 July 2010 (the "Cerro Negro Report"). The Cerro Negro Report and the resource estimate were prepared in accordance with the disclosure and reporting requirements set out in the NI 43-101, Companion Policy 43-101 CP, Form 43-101 F1, the CIM Standards and the JORC Code. The information in this summary is derived principally from the Cerro Negro Report. The Cerro Negro Report is available on ASX (asx.com.au) and on the SEDAR website located at sedar.com under Andean's profile.

6. Information about Andean

The facilities for the Cerro Negro Project include underground mining operations at Eureka and Bajo Negro deposits and a surface mining operation at Vein Zone deposit, a gold/silver processing plant and a tailings storage facility. The required infrastructure includes accommodation camps at the Eureka deposit and the Bajo Negro/Vein Zone deposits, the mining fleet and maintenance facilities, a high-voltage substation and water supplies.

The construction of the Eureka ramp commenced in the second quarter of 2010. Subject to permitting approval and award of contracts, mine preparation is planned to start in the first quarter of 2011, along with construction of the process plant. Andean has filed an environmental impact assessment to secure the necessary environmental permits. The necessary environmental approvals are expected to be granted by the first quarter of 2011. Mining activities will commence in the first quarter of 2012 and ore commissioning of the plant is planned for the first quarter of 2012. The process plant is expected to be handed over at the end of the second quarter of 2012, ready for production.

(a) Resource estimation

Resource estimates for Eureka, Bajo Negro, and Vein Zone have been prepared by Mine Development Associates. Mine Development Associates updated prior resource estimates for Eureka and Vein Zone in June and August of 2009, respectively, and prepared the first resource estimate for Bajo Negro in April 2010. Andean updated the Vein Zone resource estimate in July 2010.

Table 1 summarises the global Cerro Negro Project gold and silver resources. Cut-off grades of 3.0 g/t AuEq for Bajo Negro and Eureka were based on underground mining; a cut-off grade of 0.5 g/t AuEq was used for Vein Zone, based on mining by Open Pit. This resource estimate has been prepared in compliance with the disclosure and reporting requirements set forth in NI 43-101 and CIM Standards.

Table 1: Total Estimated Gold and Silver Resources for the Cerro Negro Project

Indicated	Cutoff g AuEq/t	Tonnes	Grade g AuEq/t	Grade g Au/t	Grade g Ag/t	Ounces Au	Ounces Ag
Eureka	3.0	3,608,000	15.24	12.25	179	1,421,000	20,804,000
Bajo Negro	3.0	1,872,000	9.14	8.74	24	526,000	1,443,000
Vein Zone	0.5	8,361,000	2.29	2.21	4.9	593,300	1,315,400
Total	variable	13,841,000	6.59	5.71	52.9	2,540,300	23,562,400

Inferred	Cutoff g AuEq/t	Tonnes	Grade g AuEq/t	Grade g Au/t	Grade g Ag/t	Ounces Au	Ounces Ag
Eureka	3.0	962,000	8.91	7.59	79	235,000	2,444,000
Bajo Negro	3.0	935,000	6.33	6.07	15.7	183,000	471,000
Vein Zone	0.5	3,124,000	1.08	1.05	2	105,200	200,700
Total	variable	5,021,000	3.56	3.24	19.3	523,200	3,115,700

Note: Gold equivalent was calculated considering long-term average silver and gold metal-price ratios. For these resources, a silver-to-gold ratio of 60:1 is used. Gold-equivalent calculations reflect gross metal content and have not been adjusted for metallurgical recoveries or relative processing and smelting costs. The gold-equivalent grades were used only for establishing cutoff grades for reporting.

Drill results for Mariana Central

On 19 July 2010, Andean announced results from the Mariana Central target, representing the highest-grade results to date from the ongoing exploration program at the Cerro Negro Project. During the first half of 2010, Andean completed 1,117m of reverse circulation and 8,349.7m of diamond drilling, totalling 9,466.7m in 42 holes on the Mariana Central target. To date, assays have only been received for approximately half of these drill holes. The exploration program has confirmed the presence of quartz vein for over 770m along strike and at least 170m down dip.

The bulk of the bonanza grades and significant widths identified to date in the Mariana Central vein lie to the north west of local section 250SE. This main segment of the vein strikes 305° to the northwest, dips 68°N, has a 5 to 10 true width and is at least 450m in length. To the southeast of section 250SE, the dip of the Mariana Central vein flattens to 50°N, the true width narrows to 1 to 3m and the average precious metal values decrease to less than 1.0 g/t Au with local narrow high grade intercepts. The Mariana Central vein is open up-dip, to depth and along strike to the northwest.

6. Information about Andean

Table 2: Mariana Central results

Mariana Central									
Hole ID	East	North	Section	From (m)	To (m)	Intercept (m)	True Width (m)	Au ppm	Ag ppm
MDD-1025	2398644	4809886	200SE	99.70	101.30	1.60	pending	10.63	13.9
				105.30	113.80	8.50	pending	46.07	156.5
				151.00	153.70	2.70	2.3	19.64	92.0
MDD-1028	2398763	4809371	200SE	149.50	158.15	8.65	pending	33.33	460.1
				188.40	198.45	10.05	7.6	143.04	1218.9
MDD-1030	2398821	4809284	300SE	91	93.7	2.7	pending	14.61	70.6
MDD-1035	2398852	4809248	350SE	106.75	107.55	0.8	0.7	0.7	17.0
MDD-1038	2398886	4809272	350SE	148.75	149.8	1.05	1	0.87	50.0
MDD-1044	2398932	4809243	400SE	154.00	154.50	0.50	0.5	31.00	22.0
MDD-1047	2398832	4809359	250SE	194.50	195.55	1.05	1.0	14.00	48.0
MDD-1049	2398528	4809569	100NW	161.2	163.75	2.55	2.2	54.64	41.9
				165.4	167.3	1.9	1.8	14.28	9.6
				170.3	180.9	10.6	9.0	44.5	97.4
MDD-1050	2398735	4809413	150SE	165.35	166.00	0.65	0.5	103.50	98.0
				168.00	177.00	9.00	7.6	127.06	272.1
MDD-1051	2398618	4809442	50SE	119.00	126.00	7.00	5.6	51.96	239.5
MDD-1053	2398481	4809529	100NW	101.15	103.9	2.75	2.5	7.81	5.9
MDD-1054	2398418	4809571	175NW	102.00	105.50	3.50	3.2	17.73	50.6
MDD-1056	2398703	4809452	100SE	178.00	180.00	2.00	1.8	35.96	1172.0
				181.50	196.00	14.50	12.5	55.34	617.7
MDD-1057	2398486	4809603	150NW	165.4	180.7	15.3	12.8	21.1	72.4
MDD-1058	2398696	4809381	150SE	122.1	131.25	9.15	7.3	34.9	414.4
Previously Released Results									
Hole ID	East	North	Section	From (m)	To (m)	Intercept (m)	True Width (m)	Au ppm	Ag ppm
MRC-905	2398516	4809494	50NW	80	84	4	3.7	10.9	6.0
MRC-906	2398600	4809565	50NW	186	193	7	6.7	18.5	87.0
				205	223	18	16.0	20.6	33.0
MRC-1005	2398553	4809454	0	87.00	90.00	3.00	2.7	14.58	29.7
MDD-1009	2398640	4809529	0	207.25	213.10	5.85	5.2	55.51	199.5
MDD-1022	2398670	4809494	50SE	192.85	205.00	12.15	10.3	19.5	138.9
MDD-1033	2398792	4809400		212	228.9	16.9	9.5	16.56	127.8
				232.4	238.5	6.1	4.8	23.75	238.5
MDD-1039	2398886	4809209	400SE	105.65	108.3	2.65	2.5	4.79	29.3
MDD-1041	2398786	4809328	250SE	86.9	92.00	5.10	4.4	39.30	89.5
				148	151.40	3.9	3.50	19.49	75.2

6. Information about Andean

Capital raising

On 11 August 2010, Andean completed a capital raising issuing 70 million Andean Shares at a price of C\$3.35 per Andean Share raising C\$234,500,000 (approximately A\$250,000,000) before expenses from primarily North American based investors under a short form Canadian prospectus.

The purpose of the capital raising was to raise funds to advance the exploration and development of the Cerro Negro Project and for working capital purposes.

6.5 Financial information

The selected historical financial information in this section has been extracted from Andean's audited financial statements for the financial years ended 30 June 2009 and 30 June 2010.

The information in this section is a summary only and has been prepared solely for inclusion in this Scheme Booklet. The full financial accounts for the financial years ended 30 June 2009 and 30 June 2010 (inclusive of all notes) of Andean have been published in Andean's annual reports and are available from Andean's website andean.com.au and under Andean's profile on SEDAR at sedar.com.

ASIC has granted Andean an extension of time for Andean to hold its 2010 Annual General Meeting until no later than 31 January 2011. The Annual General Meeting has been convened to be held on the same day as the Scheme Meeting, scheduled to be held on 3 December 2010, immediately following the Scheme Meeting. Andean's annual report for the financial year ended 30 June 2010 will be considered at the Annual General Meeting.

Consolidated statement of comprehensive income for the years ended 30 June 2009 and 2010

	2010 A\$'000s (audited)	2009 A\$'000s (audited)
Revenue from continuing operations	258	521
Exchange gain/(loss) and other income	(4,157)	2,718
Bank Commissions	(481)	(289)
Employee benefits expense	(3,237)	(1,654)
Depreciation and amortisation expense	(34)	(13)
Consultant fees	(2,743)	(2,066)
Impairment of receivable	(1,000)	(808)
Legal expenses	(231)	(540)
Promotional expense	(137)	(229)
Share based payments	(3,459)	(3,061)
Stock exchange expenses	(358)	(78)
Travel expenses	(880)	(811)
Administration expenses	(1,814)	(927)
Profit/(loss) before income tax	(18,273)	(7,237)
Income tax	—	—
Profit/(loss) for the year	(18,273)	(7,237)
Other comprehensive income/(loss)		
Exchange differences on translation of foreign operations	(1,274)	5,101
Other comprehensive income/(loss) for the year, net of tax	(1,274)	5,101
Total comprehensive income/(loss) for the year	(19,547)	(2,136)
Total comprehensive income/(loss) for the year is attributable to:		
Owners of Andean Resources Ltd.	(19,547)	(2,136)
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the company:	Cents	Cents
Basic and diluted loss per share	(3.93)	(1.80)

6. Information about Andean

Consolidated statement of financial position as at 30 June 2009 and 2010

	2010 A\$'000s (audited)	2009 A\$'000s (audited)
Current assets		
Cash and cash equivalents	62,474	13,598
Trade and other receivables	3,518	586
Total current assets	65,992	14,184
Non-current assets		
Receivables	9,133	4,930
Property, plant and equipment	16,405	1,930
Exploration and evaluation costs carried forward	72,380	52,509
Total non-current assets	97,918	59,369
Total assets	163,910	73,553
Current liabilities		
Trade and other payables	13,038	5,141
Total current liabilities	13,038	5,141
Non-current liabilities		
Provisions and payables	313	219
Total non-current liabilities	313	219
Total liabilities	13,351	5,360
Net assets	150,559	68,193
Equity		
Contributed equity	200,743	99,201
Reserves	8,845	9,748
Accumulated losses	(59,029)	(40,756)
Total equity	150,559	68,193

6. Information about Andean

Consolidated statement of cash flows for the years ended 30 June 2009 and 2010

	2010 A\$'000s (audited)	2009 A\$'000s (audited)
	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities		
Payments to suppliers and employees	(15,359)	(9,869)
Interest received and other income	265	639
Net cash (outflow) from operating activities	(15,094)	(9,230)
Cash flows from investing activities		
Payment for property, plant and equipment	(14,712)	(777)
Payment for exploration expenditure	(15,798)	(23,171)
Net cash (outflow) from investing activities	(30,510)	(23,948)
Cash flows from financing activities		
Proceeds from share issues	104,668	1,303
Capital raising expenses	(4,756)	–
Net cash inflow (outflow) from financing activities	99,912	1,303
Net increase (decrease) in cash held	54,308	(31,875)
Cash at the beginning of the financial year	13,598	37,653
Foreign exchange translation adjustment	(5,432)	7,820
Cash at the end of the financial year	62,474	13,598

6.6 Directors of Andean

As at the date of this Scheme Booklet, the directors of Andean are:

- Louis Gignac (Chairman);
- Charles Winograd (Non-Executive Director);
- Richard Lorson (Non-Executive Director);
- Barry Bolitho (Non-Executive Director);
- Wayne Hubert (Managing Director); and
- Ian Hume (Non-Executive Director).

6.7 Andean's issued securities

As at the date of this Scheme Booklet, the issued securities of Andean comprise:

- 548,450,367 Andean Shares; and
- 3,223,440 Options.

Other than as set out below, Andean is under no obligation to issue further Andean Shares before the implementation of the Scheme:

- 2,550,000 of the 3,223,440 Options referred to above are presently exercisable. If exercised, this would result in the issue of 2,550,000 Andean Shares. However, it should be noted that while the holders of the Options retain the right to exercise the Options, they have entered into the Option Cancellation Deed as set out in **section 11.16(c)**;

- As of the date of this Scheme Booklet, there are approximately 422,221 vested but unissued Andean Shares that have been granted to 17 Andean employees and consultants as new hire and annual bonus grants. These Andean Shares will be issued prior to the Record Date; and
- Andean Shares to be issued pursuant to the accelerated vesting of A\$1,440,000 worth of performance rights.

6.8 Employee Share Ownership Plan

Andean operates an employee share ownership plan (ESOP) which was approved by Shareholders at Andean's 2007 Annual General Meeting. Under the ESOP the Andean Board is able to issue Shares to executive and non-executive Directors and certain employees and consultants of Andean.

The ESOP is designed to facilitate increased share ownership in Andean for employees or their nominees. The ESOP provides that when a "change of control event" (which includes entering into a scheme of arrangement) occurs or is likely to occur, the Andean Board may determine that the restrictions which apply to an Andean Share issued under the ESOP, or any performance conditions that must be satisfied for an Andean Share to be issued to a participant under the ESOP, will cease to apply at a time determined by the Board, and the Shares will be issued.

6. Information about Andean

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board will approve the vesting of any performance rights, Options and any unvested Shares in respect of previous grants made under the ESOP.

6.9 Options

As at the date of this Scheme Booklet, 3,223,440 Options were held by a total of five holders. The number of Options on issue will reduce if any Options are exercised after this date.

The table below contains the details of Options in Andean that remain outstanding at the date of this Scheme Booklet.

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board will approve the vesting of any unvested Options.

While each holder of the Options generally retains the right to exercise the Options, Goldcorp has entered into an agreement with Andean and each of the Option holders under which the Options will be cancelled in exchange for cash equal to the difference between the exercise price of the Option and C\$6.50 (**Option Cancellation Deed**). The Option Cancellation Deed is subject to the Scheme becoming Effective, Shareholders approving the cancellation of the Options at the Annual General Meeting, and the Options not having been exercised. If Shareholders do not approve the cancellation of the Options at the Annual General Meeting, the Option Cancellation Deed requires the Option holders to exercise their Options prior to the Record Date.

Further details in relation to Options held by Directors are set out in **section 11.16** of this Scheme Booklet.

Options	Terms of Options
2,000,000	Options exercisable at A\$0.70 per share expiring 14 July 2011
250,000	Options exercisable at A\$1.60 per share expiring 2 June 2012
500,000	Unvested Options exercisable at A\$0.75 per share expiring 31 July 2012 (subject to accelerated vesting under the Merger Implementation Agreement)
300,000	Options exercisable at C\$2.82 per share expiring 5 July 2017
40,480	Unvested Options exercisable at C\$3.41 per share expiring 29 July 2017 (subject to accelerated vesting under the Merger Implementation Agreement)
26,700	Unvested Options exercisable at C\$4.06 per share expiring 22 August 2017 (subject to accelerated vesting under the Merger Implementation Agreement)
106,260	Unvested Options exercisable at C\$3.41 per share expiring 29 July 2017 (these Options have been granted and will be issued, subject to Shareholder approval, after the Annual General Meeting) (subject to accelerated vesting under the Merger Implementation Agreement)

6.10 Further information

For further information relating to Andean, please visit Andean's website andean.com.au or Andean's profile on SEDAR at sedar.com.

The following documents relating to Andean are available on Andean's website:

- Annual Information Form for the year ended 30 June 2010, dated 28 September 2010;
- 2010 Andean Annual Report;
- the Cerro Negro Report;
- 2009 Andean Annual Report;
- Quarterly Report for Period ended 30 June 2010;
- Quarterly Report for Period ended 31 March 2010;
- Quarterly Report for Period ended 31 December 2009;

- Quarterly Report for Period ended 30 September 2009;
- Quarterly Report for Period ended 31 March 2009; and
- 2008 Andean Annual Report.

Viewing of these documents and any others available under Andean's regular reporting and disclosure obligations is also available through Andean's registered office during business hours.

In addition, Andean's ASX Quarterly Report for 30 September 2010 and Financial Statements for the quarter ended 30 September 2010 (which are expected to be announced by the end of October and mid November respectively) will be available:

- from ASX on its website asx.com.au;
- from SEDAR on its website sedar.com; and
- on Andean's website andean.com.au.

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7. Information about Goldcorp

7.4 Business of Goldcorp

Goldcorp is engaged in the acquisition, exploration, development and operation of gold properties in Canada, the United States, Mexico and Central and South America. Goldcorp is one of the lowest cost and fastest growing multi-million ounce senior gold producers in the world¹². The principal products and sources of cash flow for Goldcorp are derived from the sale of gold, silver, copper, lead and zinc.

7.5 Operations, projects and exploration activities

Summary of projects

Goldcorp has interests in the following projects. Where a project is considered to be material this is noted below. Goldcorp determines whether a project is material on the basis of its overall business and financial condition, taking into account a variety of qualitative and quantitative factors. In particular, Goldcorp assesses whether a project has a material effect on the market price or value of its securities. The designation of a project as "material" has certain implications under Canadian and United States securities laws (to which Goldcorp is subject). In particular, companies are required to provide an enhanced level of disclosure concerning their "material" projects.

(a) Canada and the United States

- a 100% interest in the Red Lake gold mines (the **Red Lake Gold Mines**) in Canada (the Red Lake Gold Mines are considered to be a material mineral project to Goldcorp), and a 100% interest in the nearby Cochenour deposit in Canada;
- a 100% interest in the Porcupine gold mine in Canada (the **Porcupine Mine**);
- a 100% interest in the Musselwhite gold mine in Canada (the **Musselwhite Mine**);
- a 66⅔% interest in the Marigold gold mine in the United States (the **Marigold Mine**);
- a 100% interest in the Wharf gold mine in the United States (the **Wharf Mine**);
- a 100% interest in the Éléonore gold project in Canada (the **Éléonore Project**); and
- a 40% interest in the Dee/South Arturo gold exploration project in the United States (the **Dee/South Arturo Project**).

(b) Mexico

- a 100% interest in the Peñasquito gold-silver-lead-zinc mine (the Peñasquito Mine) in Mexico (the Peñasquito Mine is considered to be a material mineral project to Goldcorp), and a 100% interest in the nearby Noche Buena gold-silver project in Mexico (the **Noche Buena Project**) and a 100% interest in the nearby Camino Rojo gold-silver project in Mexico (**Camino Rojo Project**);
- a 100% interest in the Los Filos gold-silver mine (the **Los Filos Mine**) in Mexico (the Los Filos Mine is considered to be a material mineral project to Goldcorp); and
- a 100% interest in the El Sauzal gold mine in Mexico (the **El Sauzal Mine**).

(c) Central and South America

- a 37½% interest in the Bajo de la Alumbrera gold-copper mine (the **Alumbrera Mine**) in Argentina;
- a 100% interest in the Marlin gold-silver mine (the **Marlin Mine**) in Guatemala (the Marlin Mine is considered to be a material mineral project to Goldcorp);
- a 40% interest in the Pueblo Viejo gold-silver-copper development stage project (the **Pueblo Viejo Project**) in the Dominican Republic (the Pueblo Viejo Project is considered to be a material mineral project to Goldcorp);
- a 70% interest in the El Morro copper-gold project (the **El Morro Project**) in Chile (the El Morro Project is considered to be a material mineral project to Goldcorp);
- a 100% interest in the Cerro Blanco gold-silver project in Guatemala (the **Cerro Blanco Project**); and
- a 100% interest in the San Martin gold mine in Honduras (in reclamation) (the **San Martin Mine**).

The following map illustrates Goldcorp's properties which are located in Canada, the United States, Mexico and Central and South America.

¹² This assessment is based on a review performed by Goldcorp using the public reports of research analysts employed by banks and stockbroking firms concerning the 2012 cash cost estimates and gold production growth between 2010 and 2012 of senior gold companies.

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Operations

- Development Projects
- Operations



7. Information about Goldcorp

Summary of Ore Reserve/Mineral Reserve and Mineral Resource estimates

(a) Ore Reserve/Mineral Reserve estimates

The following table sets out the total estimated gold, silver, copper, lead and zinc Ore Reserves/Mineral Reserves for the Red Lake Gold Mines, the Porcupine Mine, the Musselwhite Mine, the Marigold Mine, the Wharf Mine, the Dee/South Arturo Project, the Los Filos Mine, the El Sauzal Mine, the Peñasquito Project, the Alumbrera Mine, the Marlin Mine and the Pueblo Viejo Project as of 31 December 2009:

Proved/Proven and Probable Ore/Mineral Reserves

Category	Contained Metal				
	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)	Lead (millions of pounds)	Zinc (millions of pounds)
Proved/Proven	20.89	683.8	1,012	4,450	9,649
Probable	27.00	547.85	216	2,761	6,281
Proved/Proven + Probable	47.89	1,231.65	1,228	7,211	15,930

A breakdown of this total by deposit and the full basis on which they have been calculated, including the Qualified Persons/Competent Person statements and notes, is set out in Tables 1 and 2 in **Annexure F** to this Scheme Booklet.

All Mineral Reserves or Ore Reserves have been calculated in accordance with the CIM Standards or the JORC Code.

The above table does not include the Mineral Reserves for the El Morro Project, which was acquired after 31 December 2009. The Mineral Reserves for the El Morro Project are set out below in this **section 7.5**. The above table also does not include the Mineral Reserves for the San Dimas Mine or the Escobal Project as these were sold by Goldcorp subsequent to 31 December 2009.

(b) Mineral Resource estimates

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources:

This section uses the terms "Measured", "Indicated" and "Inferred" Resources. United States investors are advised that while such terms are recognised and required by Canadian or Australian standards or regulations, the SEC does not recognise them. In particular, and without limiting the generality of this cautionary note, the term "resource" does not equate to the term "reserve", and the term "reserve" and its use in this Scheme Booklet is not the same as the term "reserve" under SEC Industry Guide 7. As such, certain information in this Scheme Booklet

concerning descriptions of mineralisation and resources under NI 43-101, CIM Standards and the JORC Code are not comparable to disclosures made by US reporting companies. "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 Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian and Australian 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, Indicated or Inferred 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 Indicated or Inferred Mineral Resource exists, or is economically or legally mineable. Disclosure of "contained ounces" is permitted disclosure under Canadian and Australian regulations; however, the SEC normally only permits issuers to report mineralisation that does not constitute reserves as in place tonnage and grade without reference to unit measures.

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The following table sets out the total estimated gold, silver and copper Mineral Resources for the Red Lake Gold Mines, the Porcupine Mine, the Musselwhite Mine, the Marigold Mine, the Wharf Mine, the Éléonore Project, the Dee/South Arturo Project, the Los Filos Mine, the El Sauzal Mine, the Peñasquito Project, the Alumbra Mine, the Marlin Mine, the Pueblo Viejo Project, the Cerro Blanco Project, and the Noche Buena Project as of 31 December 2009:

Measured, Indicated and Inferred Mineral Resources

Category	Contained Metal				
	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)	Lead (millions of pounds)	Zinc (millions of pounds)
Measured	2.64	3.87	3	2,738	9,082
Indicated	19.47	437.64	81	–	–
Measured + Indicated	22.11	441.51	84	2,738	9,082
Inferred	17.76	115.30	6	790	1,619

A breakdown of this total by deposit and the full basis on which they have been calculated, including the Qualified Persons/Competent Person statements and notes, is set out in Tables 3 and 4 in **Annexure F** to this Scheme Booklet. All Mineral Resources have been calculated in accordance with the CIM Standards or the JORC Code.

The above table does not include the Mineral Resources for the El Morro Project, which was acquired after 31 December 2009. The Mineral Resources for the El Morro Project are set out below in this **section 7.5**. The above table also does not include the Mineral Resources for the San Dimas Mine or the Escobal Project as these were sold by Goldcorp subsequent to 31 December 2009.

Description of Mineral Projects

As noted above, Goldcorp has six projects classified as material mineral projects. These are:

- Red Lake Gold Mines;
- Peñasquito Mine;
- Los Filos Mine;
- Marlin Mine;
- Pueblo Viejo Project; and
- El Morro Project.

Each of these projects are described below.

Further detail relating to each of these projects is set out in Goldcorp's annual information form dated 19 March 2010 which is incorporated by reference into this Scheme Booklet.

Red Lake Gold Mines, Canada

(a) Introduction

Red Lake Gold Mines is indirectly wholly-owned by Goldcorp. Red Lake Gold Mines comprises two operating gold mines, the Red Lake Complex and the Campbell

Complex, both located near the town of Red Lake, which is in north-western Ontario, Canada. Goldcorp also indirectly wholly owns the Cochenour deposit which is located near the Red Lake Complex and the Campbell Complex. Goldcorp expects to include the properties consisting of the Cochenour deposit in its reporting of Red Lake Gold Mine in early 2011.

Production mining at the Red Lake Complex began in 1948. In 2009, 781,769 tonnes of ore was processed from Red Lake Gold Mines and the gold production amounted to 622,738 ounces of gold at a total cash cost of US\$288 per ounce.

(b) Property description

The Red Lake Gold Mines cover approximately 2,338 hectares. The Red Lake Complex consists of 89 patented mineral claims covering 1,254 hectares and the Campbell Complex consists of 77 patented mineral claims covering 1,084 hectares. The Cochenour deposit area consists of 35 mineral claims covering 512 hectares.

(c) Accessibility and infrastructure

The town of Red Lake is accessible by highway. Commercial air service from Thunder Bay, Ontario, and Winnipeg, Manitoba to the community is available several times a day. Potable water is supplied by the Municipality of Red Lake. Process water is taken from Balmer Lake and Sandy Bay. Ontario Hydro supplies power.

(d) Geological setting

The Red Lake greenstone belt is situated in the western portion of the Uchi Subprovince, a typical Archaean granite-greenstone terrain containing eastward trending belts of volcanic and sedimentary rocks and syn-volcanic intrusives. The rocks consist of volcanic and sedimentary

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assemblages representing magmatic and erosional events occurring over a period of approximately 300 million years. Red Lake Gold Mines are underlain mainly by tholeiitic basalt and locally by komatiitic basalt of the Balmer assemblage. The major mineralised zones, although hosted in basalt, are associated with a central ultramafic unit, which is a highly carbonatised and altered unit, believed to be either volcanic or plutonic in origin.

(e) Exploration

Goldcorp is conducting exploration and development activity in proximity to the former boundary between the Red Lake Complex and the Campbell Complex which appears to transect the centroid of the ore body. Recently developed inter-mine connections provide operational flexibility and staging platforms for exploration of the internal property boundary targets. Goldcorp regularly seeks to identify high priority exploration targets for drilling. Diamond drilling has been carried out at Red Lake Gold Mines since the beginning of operations. In 2009,

513,762 feet of definition, delineation and exploration diamond drilling was conducted at Red Lake Gold Mines.

(f) Mineralisation

In general, there are three types of mineralisation zones encountered at Red Lake Gold Mines, namely vein type ore, disseminated sulphide ore and replacement ore. Structures at the site exhibit three trends: conformable northwest, north-south and east-west. The conformable structures are most common and are sub-parallel to the foliation. The vein systems follow these structures. The ore veins are normally structurally controlled, averaging 1.5 to 1.8 metres in width and extending over strike lengths ranging from 30 to 300 metres. Sulphide replacement zones vary from 3 to 12 metres in width and extend over a strike length of 120 to 350 metres.

(g) Mineral Resource and Mineral Reserve estimates

The following table sets out the Proven and Probable Mineral Reserves for Red Lake Gold Mines as of 31 December 2009:

Category	Tonnes (millions)	Grade (grams per tonne)	Contained Metal (millions of ounces)
Proven	1.34	26.94	1.16
Probable	7.10	9.87	2.25
Proven + Probable	8.44	12.58	3.42

Notes:

- (1) The Mineral Reserves for Red Lake Gold Mines set out in the table above have been estimated by Stephane Blais, P.Eng., Red Lake Gold Mines, who is a qualified person under NI 43-101. The Mineral Reserves are classified as proven and probable, and are based on the CIM Standards.
- (2) Based on a gold price of US\$825 per ounce.
- (3) The estimated metallurgical recovery rate is 95% to 97%.
- (4) The average, diluted, cut-off grade for Mineral Reserves is 0.25 ounces per tonne (8.6 grams per tonne), with a minimum cut-off grade of 0.12 ounces per tonne (4.1 grams per tonne) depending on the zone and mining method. Resource models are diluted to minimum horizontal widths of 7 to 10 feet (2.12 to 3.1 metres) at a zero grade.
- (5) Numbers may not add up due to rounding
- (6) To date, no Mineral Reserves have been prepared or disclosed for Cochenour.

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The following table sets out the Measured, Indicated and Inferred Mineral Resources for Red Lake Gold Mines (excluding Proven and Probable Mineral Reserves) as of 31 December 2009:

Category	Tonnes (millions)	Grade (grams per tonne)	Contained Metal (millions of ounces)
Measured	0.84	24.83	0.67
Indicated	3.17	13.57	1.38
Measured + Indicated	4.01	15.94	2.06
Inferred	3.46	19.39	2.16

Notes:

- (1) The Mineral Resources for Red Lake Gold Mines set out in the table above have been estimated by Chris Osiowy, P.Geo., Red Lake Gold Mines, who is a qualified person under NI 43-101. The Mineral Resources are classified as measured, indicated and inferred, and are based on the CIM Standards.
- (2) Based on a gold price of US\$925 per ounce.
- (3) The average, diluted, cut-off grade for Mineral Resources is 0.22 ounces per tonne (7.5 grams per tonne), with a minimum cut-off grade of 0.12 ounces per tonne (4.1 grams per tonne) depending on the zone and mining method. The in situ block model has been diluted to minimum horizontal widths of 4 to 6 feet (1.22 to 1.83 metres).
- (4) Mineral Resources are not known with the same degree of certainty as Mineral Reserves and do not have demonstrated economic viability.
- (5) Numbers may not add up due to rounding.
- (6) To date, no Mineral Resources have been prepared or disclosed for Cochenour.

(h) Mineral processing

The process facilities at Red Lake Gold Mines consist of two mills, the Red Lake mill and the Campbell mill. The Red Lake mill comprises three separate plants: the crushing plant, the processing plant and the paste fill plant. The Red Lake mill throughput capacity is 1,134 tonnes per day. Unit operations in the processing plant include grinding, gravity concentrating, cyanidation, carbon-in-pulp, carbon elution and reactivation, electrowinning, bullion smelting/refining, cyanide destruction, flotation and concentrate handling. Three types of gold ore occur in the Red Lake Gold Mines requiring these various unit operations. The Campbell mill throughput capacity is 1,678 tonnes per day. Conventional crushing and grinding is followed by gravity concentration to recover free milling gold. Refractory gold, finely disseminated in the arsenopyrite and pyrite matrix, is recovered by flotation followed by pressure oxidation, neutralisation and carbon-in-leaching.

(i) Mining operations

In 2009, ore production was approximately 887 tonnes per day from the Red Lake Complex, and 1,254 tonnes per day from the Campbell Complex. Mining is carried out in the Red Lake Complex using predominantly underhand and overhand cut and fill techniques allowing maximum ore extraction and minimal dilution. Longhole mining method is also utilised as required. The primary mining method at the Campbell Complex is longhole followed by conventional overhand cut-and-fill. Based on the year-end 2009 Mineral Reserves and Mineral Resources, production is expected to continue for approximately 8 to 11 years at Red Lake Gold Mines.

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Peñasquito Mine, Mexico

(a) Introduction

The Peñasquito Mine is indirectly wholly-owned by Goldcorp. The Peñasquito Mine is an open pit mining operation located in north-central Mexico. The Peñasquito Mine achieved commercial production in September 2010. Prior to this time, the Peñasquito Mine was referred to as the “Peñasquito Project”. Goldcorp’s Noche Buena Project and Camino Rojo Project are located near the Peñasquito Mine.

In 2007, Goldcorp entered into a transaction whereby Silver Wheaton acquired 25% of the silver to be produced from the Peñasquito Mine for the life of mine, for an upfront cash payment of US\$485 million. Silver Wheaton will pay Goldcorp a per ounce cash payment of the lesser of US\$3.90 (subject to an inflationary adjustment commencing in 2011) and the prevailing market price, for silver delivered under the contract.

(b) Property description

The Peñasquito Mine is comprised of the mineral rights to approximately 39,000 hectares located in the north-eastern portion of the State of Zacatecas in north-central Mexico (the “Peñasquito Property”). Goldcorp holds a number of exploitation and exploration mineral claims associated with the development of the Peñasquito Mine that expire between 2011 and 2050. A 2% net smelter return royalty is owed to Royal Gold, Inc. on production from both the Peñasco Zone and the Chile Colorado Zone.

(c) Accessibility and infrastructure

Goldcorp believes an adequate network of road and rail services currently exists in the region to support the Peñasquito Mine. There is one railhead approximately 100 kilometres to the west. Power is available to relevant locations within the Peñasquito Property. A camp has been built to house and support the Peñasquito Mine workforce.

Surface rights in the vicinity of the Peñasco Zone and the Chile Colorado Zone are held by private individuals and three communal bodies known as “Ejidos” (such bodies and rights being recognised by the federal laws in Mexico). Agreements granting the Peñasquito Mine access have been obtained from all necessary parties.

(d) Geological setting

The regional geology is dominated by Mesozoic sedimentary rocks intruded by tertiary stocks of intermediate composition (granodiorite and quartz monzonite). The sedimentary rocks formed in the Mexico geosyncline, a 2.5-kilometre thick series of marine sediments deposited during the Jurassic and Cretaceous periods consisting of a 2,000-metre thick sequence of carbonaceous and calcareous turbidic siltstones and interbedded sandstones underlain by a 1,200 to 2,000-metre thick limestone sequence.

(e) Exploration

As part of the Peñasquito Mine, Goldcorp is undertaking exploration in connection with the Noche Buena Project and the Camino Rojo Project. The Noche Buena Project comprises approximately 2,400 hectares and is contiguous with the northern border of the Peñasquito Property. The Camino Rojo Project comprises approximately 339,000 hectares and is located 50 km south of Peñasquito.

(f) Mineralisation

Investigations on the Peñasquito Property have identified several major sulphide mineralisation zones with significant values of silver, gold, zinc and lead. Mineralised material containing gold, silver, lead and zinc is being mined and processed at the Peñasquito Mine. The Peñasquito Mine contains three zones, the Peñasco, the Azul and the Chile Colorado, which have been the subject of most of the geological and metallurgical investigations to date. In addition to the sulphide mineralisation, the three zones also have substantial oxide ore caps which contain recoverable gold and silver. Deeper, higher grade lead, zinc, silver and gold mantos have been intersected below the sulphide zones.

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(g) Mineral Reserve and Mineral Resource Estimates

The following table sets out the Proven and Probable Mineral Reserves for the Peñasquito Project as of 31 December 2009:

Deposit/Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Lead (%)	Grade			Contained Metal	
					Zinc (%)	Gold (millions of ounces)	Silver (millions of ounces)	Lead (millions of pounds)	Zinc (millions of pounds)
Peñasquito Project Mill ⁽³⁾									
Proven	580.58	0.62	33.1	0.35	0.75	11.49	618.02	4,450	9,649
Probable	564.19	0.33	23.0	0.22	0.50	5.93	417.58	2,761	6,281
Proven + Probable	1,144.76	0.47	28.1	0.29	0.63	17.42	1,035.60	7,211	15,930
Peñasquito Project Heap Leach ⁽⁴⁾									
Proven	72.50	0.17	14.8	–	–	0.40	34.50	–	–
Probable	–	–	–	–	–	–	–	–	–
Proven + Probable	72.50	0.17	14.8	–	–	0.40	34.50	–	–

Notes:

- (1) The Mineral Reserve estimates for the Peñasquito Project set out in the table above have been prepared under the supervision of Robert H. Bryson, MMSA, who is a qualified person under NI 43-101. The Mineral Reserves are classified as proven and probable, and are based on the CIM Standards.
- (2) Based on a gold price of US\$825 per ounce, a silver price of US\$13.00 per ounce, a lead price of US\$0.60 per pound and a zinc price of US\$0.80 per pound.
- (3) The estimated metallurgical recovery rate for the Peñasquito Project (Mill) is 5% to 64% for gold, 5% to 65% for silver, 63% to 72% for lead and 60% to 75% for zinc.
- (4) The estimated metallurgical recovery rate for the Peñasquito Project (Heap Leach) is 50% for gold and 22% for silver.
- (5) The Proven and Probable Mineral Reserves have been calculated using NSR (Net Smelter Return) cut-off grades and assuming the Mineral Reserves metals prices set out above. These cut-off grades are: US\$5.20 NSR for Peñasco-Azul sulphide feed and US\$5.68 NSR for Chile Colorado sulphide feed. A run-of-mine, heap leach process for gold and silver has been defined for the oxide materials at an NSR cut-off of US\$0.90 for Peñasco-Azul and US\$0.95 for Chile Colorado.
- (6) Proven and Probable Mineral Reserves are a subset of Measured and Indicated Mineral Resources.
- (7) Numbers may not add up due to rounding.

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The following table sets out the Measured, Indicated and Inferred Mineral Resources for the Peñasquito Project (excluding Proven and Probable Mineral Reserves) as of 31 December 2009:

Deposit/Category	Grade					Contained Metal			
	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Lead (%)	Zinc (%)	Gold (millions of ounces)	Silver (millions of ounces)	Lead (millions of pounds)	Zinc (millions of pounds)
Peñasquito Project Mill⁽³⁾									
Measured	471.52	–	–	0.26	0.87	–	–	2,738	9,082
Indicated	471.52	0.29	25.7	–	–	4.42	388.87	–	–
Measured + Indicated	471.52	0.29	25.7	0.26	0.87	4.42	388.87	2,738	9,082
Inferred	146.98	0.25	17.3	0.24	0.50	1.19	81.60	790	1,619
Peñasquito Project Heap Leach⁽⁴⁾									
Measured	–	–	–	–	–	–	–	–	–
Indicated	7.75	0.13	8.6	–	–	0.03	2.14	–	–
Measured + Indicated	7.75	0.13	8.6	–	–	0.03	2.14	–	–
Inferred	–	–	–	–	–	–	–	–	–

Notes:

- (1) The Mineral Resource estimates for the Peñasquito Project set out in the table above have been prepared by Robert H. Bryson, MMSA, who is a qualified person under NI 43-101. The Mineral Resources are classified as measured, indicated and inferred, and are based on the CIM Standards.
- (2) Mineral Resources are based on a gold price of US\$925 per ounce, a silver price of US\$15.00 per ounce, a lead price of US\$0.70 per pound and a zinc price of US\$0.90 per pound.
- (3) Mineral Resources are not known with the same degree of certainty as Mineral Reserves and do not have demonstrated economic viability.
- (4) Numbers may not add up due to rounding.
- (5) The Proven and Probable Mineral Resources have been calculated using NSR (Net Smelter Return) cut-off grades and assuming the Mineral Reserves metals prices set out above. These cut-off grades are: US\$4.90 NSR for Peñasco-Azul sulphide feed and US\$5.30 NSR for Chile Colorado sulphide feed. A run-of-mine, heap leach process for gold and silver has been defined for the oxide materials at an NSR cut-off of US\$0.90 for Peñasco-Azul and US\$0.95 for Chile Colorado.

(h) Mineral processing

The Peñasquito Mine consists of a leach facility that is capable of processing a nominal 25,000 metric tonnes per day of oxide ore and a sulphide plant that is capable of processing a nominal 100,000 tonnes per day of sulphide ore. High pressure grinding rolls are being installed at the sulphide plant which has been expanded to process 130,000 tonnes per day. Lead and zinc concentrates are shipped off-site to smelters and gold and silver dore is shipped off-site to refiners.

As of 31 December 2009, a total of 27.8 million tonnes of ore with an average grade of 0.274 grams per tonne of gold had been placed on the leach pad. A total of 83,184 ounces of gold and 2,639,391 ounces of silver were produced from the oxide facility in 2009. Recoveries averaged 34.0% for gold and 14.0% for silver.

(i) Mining operations

During 2009, a total of 18.3 million tonnes of Oxide Ore, with an average grade of 0.278 grams per tonne of gold and 25.6 grams per tonne of silver for a total of 163,920 contained ounces of gold and 15,071,600 contained ounces of silver, were delivered to the leach facility. An additional 13.1 million tonnes of sulphide ore with an average grade of 0.224 grams per tonne of gold, 27.0 grams per tonne of silver, 0.45% lead and 0.70% zinc were mined. 2.8 million tonnes of sulphide was delivered to the mill, the remainder was stockpiled. A total of 136.9 million tonnes of waste were mined from the Peñasco pit.

The Peñasquito Mine plan provides for a combined production schedule for both sulphide and oxide ores from both the Peñasco and Chile Colorado Zones. Commercial sulphide production is scheduled for 22 years. The Peñasco Zone is expected to provide the only sulphide mill feed through 2013 and is expected to continue to provide mill feed through 2030. Waste

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stripping is expected to begin in the Chile Colorado Zone in 2013 and sulphide ore is expected to be mined from 2014 until 2032. The sulphide mill feed is expected to be from both pits from 2014 until 2030.

Los Filos Mine, Mexico

(a) Introduction

The Los Filos Mine and associated infrastructure are indirectly wholly-owned by Goldcorp. Construction and commissioning of the Los Filos Mine was completed during 2007, and commercial production was first achieved in January 2008. The Los Filos Mine consists of two open pit mines (Los Filos and Bermejil) with common process and ancillary facilities, together with an underground mine. All of these installations are located in the Nukay mining district of central Guerrero State, in southern Mexico, approximately 230 kilometres south of Mexico City. Production during 2009 at the Los Filos Mine was 224,183 ounces of gold at a cash cost of US\$446 per ounce. The supplementary underground operation produced 15,141 ounces of gold during 2009 at a cash cost of US\$816 per ounce. The combined production at the Los Filos Mine (both open pit and underground) was 239,323 ounces of gold at a cash cost of US\$469 per ounce.

(b) Property description

The Los Filos Mine lies within the southern part of the Morelos National Mineral Reserve (Morelos Sur) which covers a total of 47,600 hectares. The Los Filos Mine consists of 20 different exploitation and exploration concessions totalling 4,962 hectares within the municipality of Eduardo Neri, Guerrero, Mexico.

Goldcorp has secured a total of 3,920 hectares of cover surface rights for the Los Filos operations which includes both pits, process and ancillary facilities areas, roads, services and a buffer area securing future growth and potential exploration targets. Surface rights have been secured by either acquisition of private and public land or by entering into temporary occupation agreements with surrounding communities. There are no royalties payable to any entity. Current Mexican legislation does not require government royalty payments. Goldcorp also holds the appropriate permits under local, State and Federal laws to allow mining operations.

(c) Accessibility and infrastructure

The Los Filos Mine is accessible by a major, paved highway. Driving time from Mexico City is approximately three hours. The Los Filos Mine is located near established power and road infrastructure at Mezcala and near centres of supply for materials and workers at Chilpancingo, Iguala and

Cuernavaca. The project area can be affected by tropical storms and hurricanes which can result in short term high precipitation events. However, mining operations are conducted year-round.

Process and potable water for the project is sourced from a large well and filtration gallery located 1.5 kilometres west of Mezcala. The gallery has access to the Rio Balsas, which is a large perennial river. Water rights were granted in 2006 by the appropriate Mexican authorities.

(d) Geological setting

The Los Filos and Bermejil deposits are located in the Mezcala district in southern Mexico. This region of southern Mexico is underlain by a cratonic assemblage, approximately 2,000 metres thick of moderately to strongly folded Mesozoic platform carbonate and clastic rocks. The deposits lie near the centre of a large circular-shaped feature known as the Morelos-Guerrero Basin. The basinal sequence is composed of the Morelos, Cuautla and Mezcala Formations. The most important of these formations is the Morelos Formation, which is the thickest and most wide spread of the three. It is Cretaceous in age and predominantly a medium-bedded to massive fossiliferous limestone and hosts most of the mineralisation in the region including the Los Filos and Bermejil deposits. The Morelos Formation is up to 900 metres thick in places, and is overlain by shale and thin-bedded limestone of the Cuautla and Mezcala Formations.

(e) Exploration

The initial exploration phase at the Los Filos deposit was essentially completed in March 1998. Most recently, in 2007, a regional and local geophysical identified various magnetic anomalies related to iron-skarn bodies.

In 2008, 107 holes were drilled in the 4P sector. They include 53 diamond drill holes and 53 reverse circulation holes. In 2009, Goldcorp followed up with exploration to the south and west of the Bermejil pit as well as the expansion of the 4P project. Sixty-six diamond holes were drilled at Bermejil South, 46 diamond holes were drilled at the 4P project and 10 diamond holes were drilled at Los Filos South, for a total of 22,887 m.

(f) Mineralisation

Approximately 75% of gold mineralisation at the Los Filos and Bermejil deposits is hosted within a diorite sill and around a granodiorite stock that were emplaced in carbonate rocks of the upper Cretaceous Morelos Formation. Mineralisation is structurally controlled by breccias and quartz-hematite-gold veins.

7. Information about Goldcorp

(g) Mineral Reserve and Mineral Resource estimates

The following table sets out the Proven and Probable Mineral Reserves for the Los Filos Mine as of 31 December 2009:

Category	Tonnes (millions)	Grade		Contained Metal	
		Gold (grams per tonne)	Silver (grams per tonne)	Gold (millions of ounces)	Silver (millions of ounces)
Proven	50.16	0.99	6.4	1.60	10.03
Probable	172.12	0.74	5.6	4.08	26.64
Proven + Probable	222.28	0.79	5.8	5.67	36.67

Notes:

- (1) The Mineral Reserves for the Los Filos Mine set out in the table above have been estimated under the supervision of Reynaldo Rivera, MAusIMM, Luismin S.A. de C.V., who is a qualified person under NI 43-101.
- (2) The grade and contained metal for silver is based on 48.45 million tonnes proven, 147.36 million tonnes probable, and 195.81 million tonnes proven and probable.
- (3) For ROM material, cut-off grade for the Los Filos deposit was 0.19 grams per tonne and 0.17 grams per tonne for the Bermejal deposit. For heap leach material the cut-off grades are 0.23 grams per tonne for both deposits. Cut-off grades are defined by using US\$825 per ounce of gold.
- (4) The estimated metallurgical recovery rate is 55% to 72% for gold and 5% for silver.
- (5) Numbers may not add up due to rounding.

The following table sets out the Measured, Indicated and Inferred Mineral Resources for the Los Filos Mine (excluding Proven and Probable Mineral Reserves) as of 31 December 2009:

Category	Tonnes (millions)	Grade		Contained Metal	
		Gold (grams per tonne)	Silver (grams per tonne)	Gold (millions of ounces)	Silver (millions of ounces)
Measured	2.59	1.03	6.6	0.09	0.44
Indicated	43.26	0.95	5.8	1.32	5.34
Measured + Indicated	45.85	0.95	5.9	1.40	5.78
Inferred	151.25	0.87	6.1	4.23	15.47

Notes:

- (1) The Mineral Resources for the Los Filos Mine set out in the table above have been estimated by Reynaldo Rivera, MAusIMM, Luismin S.A. de C.V., who is a qualified person under NI 43-101.
- (2) The grade and contained metal for silver is based on 2.09 million tonnes measured, 28.55 million tonnes indicated, 30.64 million tonnes measured and indicated and 78.45 million tonnes inferred.
- (3) For ROM material, cut-off grade for the Los Filos deposit was 0.17 grams per tonne and 0.15 grams per tonne for the Bermejal deposit. For heap leach material the cut-off grades are 0.20 grams per tonne and 0.16 grams per tonne for the Los Filos and Bermejal pits respectively. Material defined is wholly contained within a pit optimisation shell defined by using US\$925 per ounce of gold.
- (4) Cut-off grade for the 4P deposit was 0.22 grams of gold per tonne for heap leach and 0.18 grams per tonne for ROM material.
- (5) Mineral Resources are not known with the same degree of certainty as Mineral Reserves and do not have demonstrated economic viability.
- (6) Numbers may not add up due to rounding.

7. Information about Goldcorp

(h) Mineral processing

The Los Filos mine consists of two open pit mines (Los Filos and El Bermejal) with common heap leach, wet plant and ancillary facilities. Higher grade ore is processed by crushing, agglomeration and heap leaching. Lower grade ore is processed by run-of-mine heap leaching. Gold recovery takes place in a carbon absorption-desorption-recovery plan utilising four trains of five cascade columns each.

(i) Mining operations

During 2009, a total of 25.3 million tonnes of ore with an average grade of 0.60 grams of gold per tonne and 28.6 million tonnes of waste were mined from the Los Filos pits. A total of 595,088 contained gold ounces were mined during the year.

The estimated mine life is 14 years. Based on the year-end 2009 Mineral Reserves, production from open pit sources is planned to continue to 2023. A closure and reclamation plan has been prepared for the mine site. *Current closure costs are estimated at US\$24.2 million.* Goldcorp is funding its closure cost obligations through allocating a percentage of sales revenue to a closure fund.

Marlin Mine, Guatemala

(a) Introduction

The Marlin Mine is indirectly 100% owned by Goldcorp. It is located in the northern section of the province of San Marcos in the municipality of San Miguel Ixtahuacán in western Guatemala, approximately 140 kilometres northwest of the capital, Guatemala City. The Marlin Mine commenced commercial production in December 2005.

(b) Project description

The Marlin Mine consists of one 200 hectare exploitation concession and 10,000 hectares of exploration concession. Approximately 550 small properties have been purchased by Goldcorp and steps are being taken to have title to surface rights registered in Goldcorp's name. All environmental regulatory permits, licenses and authorisations required to carry out planned operations at the Marlin Mine have been obtained and are in good standing.

A royalty of one percent of gross revenue is payable on production from the Marlin Mine. The one percent royalty is shared equally between the state and the municipality where the project is situated.

(c) Accessibility and infrastructure

The Marlin Mine is 25 kilometres by air west-southwest of the town of Huehuetenango or 300 kilometres by paved and gravel roads from Guatemala City. Goldcorp has completed substantial improvements on roads leading into and within the project area. Power for the mine is obtained from a local power supplier and is provided via a 27 kilometre dedicated power line built by Goldcorp. Water is provided from two deep wells.

(d) Geological setting

The Marlin district is located 15 to 20 kilometres south of the Cuilco-Chixoy-Polichic Fault, a major fault that separates the North American and Central American cratons. The Marlin deposit is on a projection of a southern splay off of the Polochic fault system. The Marlin deposit is located within the Tertiary mafic eruptive unit. The deposit trends in the same direction as the Polochic fault system.

There are four major lithologic units present at the Marlin site: Quaternary pyroclastic deposits, Marlin andesites, Tertiary volcanoclastic sequence and porphyric dykes.

(e) Exploration

Exploration at the Marlin Mine commenced in 1998. In 2009, exploration continued in the West Vero Zone, the West Tello Extension Area, the Coral Zone and the new Ixcanché target area. Underground drilling was also carried out to define extensions of the Tello and Rosa veins.

(f) Mineralisation

The mineralisation lies on the eastern portion of a two kilometre east-west trending vein system, which is one of several parallel vein systems identified in the Marlin district. Most of the mineralisation is in quartz veins and quartz vein stockwork or within south-dipping tectonic breccia zones. A small part of the mineralisation is in calcite veins. The mineralisation is consistent over an east-west distance of 1,500 metres and is up to 300 metres wide. A 150 by 75 metre on surface layer of weathered vein "rubble" overlies the main zone of the Marlin Mine. Post mineralisation faults have produced shear zones within the mineralisation. Approximately 9 percent of the mineralisation and 30 percent of the reserves found to date are oxide. The remaining is non-oxide. The non-oxide mineralisation contains pyrite at concentrations of one to three percent.

7. Information about Goldcorp

(g) Mineral Reserve and Mineral Resource estimates

The following table sets out the Proven and Probable Mineral Reserves for the Marlin Mine as of 31 December 2009:

Category	Tonnes (millions)	Grade		Contained Metal	
		Gold (grams per tonne)	Silver (grams per tonne)	Gold (millions of ounces)	Silver (millions of ounces)
Proven	3.46	5.8	224.7	0.64	16.75
Probable	9.99	4.4	329.9	1.43	46.27
Proven + Probable	13.45	4.8	293.4	2.07	63.02

Notes:

- (1) The Mineral Reserves for the Marlin Mine set out in the table above have been estimated by Andrew S. Tripp, P.Eng., Marlin Mine, who is a qualified person under NI 43-101.
- (2) Based on a gold price of US\$825 per ounce and a silver price of US\$13.00 per ounce using a gold equivalent grade using an 85:1 based on prices and recoveries.
- (3) The estimated metallurgical recovery rate is 92% for gold and 70% for silver.
- (4) Some of the zones at the Marlin Mine do not contain silver, therefore the silver ore tonnage at the Marlin Mine is less than indicated in the above table. Silver tonnage should be as follows: Proven Mineral Reserves 2.3 million tonnes and Probable Mineral Reserves 4.4 million tonnes.
- (5) Numbers may not add up due to rounding.

The following table sets out the Measured, Indicated and Inferred Mineral Resources for the Marlin Mine as of 31 December 2009:

Category	Tonnes (millions)	Grade		Contained Metal	
		Gold (grams per tonne)	Silver (grams per tonne)	Gold (millions of ounces)	Silver (millions of ounces)
Measured	0.33	1.32	283.0	0.01	0.85
Indicated	1.41	1.21	111.0	0.05	1.40
Measured + Indicated	1.73	1.23	144.0	0.07	2.24
Inferred	2.06	3.19	254.0	0.21	9.55

Notes:

- (1) The Mineral Resources for the Marlin Mine set out in the table above have been estimated by Andrew S. Tripp, P.Eng., Marlin Mine, who is a qualified person under NI 43-101.
- (2) Based on a gold price of US\$925 per ounce and a silver price of US\$15.00 per ounce.
- (3) Some of the zones at the Marlin Mine do not contain silver, therefore the silver ore tonnage at the Marlin Mine is less than indicated in the above table. Silver tonnage should be as follows: Proven Mineral Reserves 2.3 million tonnes and Probable Mineral Reserves 4.4 million tonnes.
- (4) Numbers may not add up due to rounding.

(h) Mineral processing

The Marlin Mine mill is designed to treat a nominal 1.82 million tonnes per year of ore. Ore is fed through a crusher prior to being introduced into the grinding circuit. Milling is conducted in a semi-autogenous grinding mill/ball mill circuit. The pulp produced by the milling is subjected to tank leaching with cyanide. After leaching the ores in the large tanks, the pulp is "washed" in a series of settling units (counter-current decantation). This effectively produces two products: a clear gold and silver bearing solution and also a pulp without precious metal values. The gold and silver solution is sent to the refinery where the metals are precipitated out of solution

through the addition of zinc. This precipitate is filtered and smelted to produce doré bars. The tailings are treated using a process to destroy cyanide and are deposited in an on-site tailings impoundment.

(i) Mining operations

The Marlin Mine has both conventional open pit mining operations and underground mining operations. The Marlin Mine commenced production in December 2005. In 2009, the Marlin Mine produced 274,897 ounces of gold and 4,156,554 ounces of silver at a total cash cost of US\$192 per ounce (by-product) and US\$341 per ounce (co-product). Goldcorp expects production from the Marlin Mine through to 2015.

7. Information about Goldcorp

Pueblo Viejo Project, Dominican Republic

(1) Introduction

Goldcorp holds an indirect 40% interest in the Pueblo Viejo Project. Barrick holds the other 60% interest in, and operates the Pueblo Viejo Project. The Pueblo Viejo Project is a development stage project and is not currently producing. First gold production is expected by the end of 2011. Project financing of approximately US\$1.035 billion (100% share) was executed in April 2010 and is divided into two tranches of US\$775 million and US\$260 million with maturities of 15 and 12 years, respectively. The two main areas of mineralisation at the Pueblo Viejo Project are the Monte Negro deposit and the Moore deposit.

(b) Property description

The Pueblo Viejo Project is located in the province of Sanchez Ramirez in the central part of the Dominican Republic on the Caribbean island of Hispaniola. The project is 15 kilometres west of the provincial capital of Cotui and approximately 100 kilometres northwest of the national capital of Santo Domingo. The Pueblo Viejo Project is situated on the Montenegro Fiscal Reserve which covers an area of 4,880 hectares. The Pueblo Viejo Project site has been a non-operating gold mine since June 1999. It currently consists of several mine site components including two old tailings impoundments (Las Lagunas and Mejita), two main pit areas (Monte Negro and Moore), and several smaller pit areas and mine rock piles. Small stockpiles are distributed irregularly throughout the pit areas, and larger piles are found on the periphery of the larger pits.

(c) Accessibility and infrastructure

Infrastructure still in operation includes water supply, power station, housing, recreational facilities, and two acid drainage treatment plants.

(d) Geological setting

Pueblo Viejo is situated in the Los Ranchos Formation, a series of volcanic and volcanoclastic rocks that extend across the eastern half of the Dominican Republic, generally striking northwest and dipping southwest. The Pueblo Viejo member of the Los Ranchos Formation is a restricted sedimentary basin approximately 3 kilometres north-south by 2 kilometres east-west. The basin is filled with lacustrine deposits that range from coarse conglomerate deposited at the edge of the basin, to thinly bedded, carbonaceous sandstone, siltstone, and mudstone deposited further from the paleo-shoreline. To the south, the Pueblo Viejo member is unconformably overlain by the Hatillo Limestone Formation by means of a low angle, southwest dipping thrust fault.

The Moore deposit is located at the eastern margin of the Pueblo Viejo member sedimentary basin. Stratigraphy consists of finely bedded carbonaceous siltstone and mudstone overlying horizons of spilite, volcanic sandstone, and fragmental volcanoclastics. The Monte Negro deposit is located at the north-western margin of the sedimentary basin. Stratigraphy consists of interbedded carbonaceous sediments ranging from siltstone to conglomerate that are interlayered with volcanoclastic flows. Metallic mineralisation in the deposit areas is primarily pyrite with lesser amounts of sphalerite and enargite. Pyrite mineralisation occurs as disseminations, layers, replacements, and veins. Sphalerite and enargite mineralisation is primarily in veins, but disseminated sphalerite has been noted in core.

(e) Exploration

Exploration activities at Pueblo Viejo are ongoing. A total of 67,127 metres were drilled in 2007, from which 26,547 metres were done for definition drilling, condemnation and limestone purposes. In 2008, more than 10,000 metres of additional drilling was carried out.

(f) Mineralisation

The Pueblo Viejo precious and base metal deposit consists of high sulphidation or acid sulphate epithermal gold, silver, copper, and zinc mineralisation that were formed during the Cretaceous period. The two main areas of alteration and mineralisation are the Monte Negro and Moore deposits. Gold-bearing alteration zones are widely distributed in the upper parts of the deposits and tend to funnel into narrow feeder zones. Stage III sulphide veins also have higher gold values than replacement-style mineralisation. The most common form of gold is sub-microscopic gold within pyrite, where it is present as both solid solution within the crystal structure of the pyrite and as colloidal-size microinclusions (<0.5 microns). The proportions of the different forms and carriers of gold vary significantly throughout the Moore and Monte Negro deposits. Generally, the majority of gold is found as sub-microscopic gold in microcrystalline, disseminated, or porous pyrite. Silver has a strong association with Stage III sulphide veins.

7. Information about Goldcorp

(g) Mineral Reserve and Resource estimates

The following table sets out the Proven and Probable Mineral Reserves for Goldcorp's 40% interest in the Pueblo Viejo Project as of 31 December 2009:

Category	Tonnes (millions)	Grade			Contained Metal		
		Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of ounces)
Proven	5.14	3.33	21.6	0.11	0.55	3.57	13
Probable	95.64	2.91	17.3	0.09	8.95	53.14	189
Proven + Probable	100.78	2.93	17.5	0.09	9.50	56.71	202

Notes:

- (1) The Mineral Reserves for Pueblo Viejo Project set out in the table above have been reviewed and confirmed by Herbert A. Smith, P.Eng., Principal Mining Engineer, AMC Mining Consultants (Canada) Ltd, who is a qualified person under NI 43-101. The Mineral Reserves are classified as proven and probable, and are based on the CIM Standards.
- (2) Based on a gold price of US\$825 per ounce, a silver price of US\$14.00 per ounce, and a copper price of US\$2.00 per pound.
- (3) The estimated metallurgical recovery rate is 88% to 95% for gold and 84% to 90% for silver.
- (4) Numbers may not add up due to rounding.

The following table sets out the Measured, Indicated and Inferred gold, silver and copper Mineral Resources for Goldcorp's 40% interest in the Pueblo Viejo Project (excluding Proven and Probable Mineral Reserves) as of 31 December 2009:

Category	Tonnes (millions)	Grade			Contained Metal		
		Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of ounces)
Measured	1.28	2.00	30.8	0.10	0.08	1.27	3
Indicated	41.56	2.08	10.9	0.07	2.78	14.53	67
Measured + Indicated	42.84	2.07	11.5	0.07	2.86	15.79	70
Inferred	7.05	1.93	17.6	0.04	0.44	3.99	6

Notes:

- (1) The Mineral Resources for Pueblo Viejo Project set out in the table above have been reviewed and confirmed by Patrick Stephenson, FAusIMM, AMC Mining Consultants (Canada) Ltd., who is a qualified person under NI 43-101. The Mineral Resources are classified as measured, indicated and inferred, and are based on the CIM Standards.
- (2) Mineral Resources are not known with the same degree of certainty as Mineral Reserves and do not have demonstrated economic viability.
- (3) Based on a gold price of US\$900 per ounce, a silver price of US\$15.00 per ounce and a copper price of US\$2.25 per pound.
- (4) Numbers may not add up due to rounding.

(h) Mineral processing

Mineral processing at the Pueblo Viejo Project will be undertaken by pressure oxidation of the whole ore followed by carbon-in-leaching cyanidation for recovery of the gold and silver. Gold recoveries are projected to vary with ore type from 89.4% to 95.5%.

(i) Mining operations

The Pueblo Viejo deposits are located in two major areas, the Monte Negro pit and the Moore pit. The process chosen to treat the Pueblo Viejo ore requires a significant

amount of limestone slurry and lime. Limestone deposits are located within 2 kilometres of the Moore pit. Pit areas for mining have been chosen to facilitate the early extraction of the most profitable ore. Elevated cut-off grades were also used for this purpose. A total of 80.1 million tonnes of low-grade material are estimated to be stockpiled for re-processing at the end of the pit life. Mine dewatering and water treatment will be an ongoing expense.

7. Information about Goldcorp

El Morro Project, Chile

(a) Introduction

Goldcorp holds an indirect 70% interest in the El Morro Project and is the project's operator. The remaining 30% is held by New Gold Inc. Goldcorp acquired its interest in the El Morro Project in 2010. The El Morro Project encompasses three separate centres of porphyry style copper-gold mineralisation which are referred to as the La Fortuna, El Morro, and El Negro areas. A feasibility study was completed on the El Morro Project in 2008 to assess the economics of exploiting the La Fortuna deposit.

(b) Project description

The El Morro Project is located in the Atacama region of north-central Chile. The El Morro Project comprises 201 mining exploration concessions and 219 mining development concessions covering a total surface of 70,145 hectares. Concession owners do not necessarily have surface rights to the land. However, they do have the right to explore or exploit the concession. Mining rights are dominant to surface rights and the Mining Code grants liberal rights to use the surface subject to the payment of reasonable compensation to the surface rights owner. There are sufficient surface rights held in the project area to support the mining operations, including access and powerline easements. There is no available water in the project vicinity. The 2008 feasibility study has assumed that all water for construction and operations will come from a reverse-osmosis desalination plant to be constructed on the coast of Chile.

All titles to the mining properties of the El Morro Project are in good standing and duly protected with the payment of the corresponding mining patents defined under Chilean law. A second layer of mining rights has been established over existing rights to enhance protection and the corresponding area is being monitored on a permanent basis to prevent conflict with third party rights. Certain mining concessions are subject to a 2% net smelter return royalty.

Mining projects in Chile require both environmental approval and numerous other permits prior to construction. Permits held by Goldcorp for the El Morro Project are sufficient to ensure that the exploration activities conducted to date within the El Morro Project area were conducted within the regulatory framework required by the Chilean Government. Permitting for development of the El Morro Project is currently pending review by the Chilean government.

(c) Accessibility and infrastructure

Current access to the El Morro Project is through the town of Vallenar and a combination of paved and gravel roads. The proposed mine site is approximately 15 kilometres from the Chilean border with Argentina. The closest community is El Transito with a population of 1,000, located approximately 75 kilometres by road from the El Morro Project. The nearest commercial airport is located close to Copiapó, which is serviced by daily flights to and from Santiago. A skilled labour force is available in the Copiapó region and surrounding mining areas of northern Chile. Fuel and supplies are expected to be provided from nearby communities such as Copiapó.

The terrain surrounding the deposits is adequate for construction of administration, camp, mine, plant, tailings, and waste rock disposal facilities. Planned mine site infrastructure to support proposed operations will include, in addition to the future plant site at the mine, mine access road construction and upgrades, a desalination plant, concentrate filtration plant, and construction of major receiving, storage, and transfer facilities at different locations in Chile en-route to the mine.

(d) Geological setting

The El Morro Mining District sits in the Main Cordillera of the Copiapó Region in northern Chile. The La Fortuna copper-gold porphyry system extends over an 850 metre by 450 metre north-south elongated area and is intrusive into the Tertiary volcanic host rocks. The La Fortuna deposit is localised within a northwest elongated alteration zone measuring approximately 2.5 kilometres long by up to 1.5 kilometres wide along the southeastern flank of Cerro La Fortuna.

(e) Exploration

Exploration activities on the El Morro Project have included regional and detail mapping, rock, silt and soil sampling, trenching, reverse circulation and diamond drilling, geophysical surveys, mineralisation characterisation studies and metallurgical testing of samples.

(f) Mineralisation

The La Fortuna deposit is considered to be an example of a primary gold-copper porphyry system, with strong affinities to high sulphidation, volcanic-hosted gold systems. Porphyry deposits in general are large, low to medium-grade deposits in which primary (hypogene) sulphide minerals are dominantly structurally-controlled.

7. Information about Goldcorp

Approximately 3 kilometres to the south west of the La Fortuna deposit is the El Negro prospect. The El Negro porphyry is a granodioritic stock that has been overprinted by an assemblage of strong potassic (biotite-potassium-feldspar-magnetite $\pm$ apatite) alteration in association with a weakly-developed quartz-vein stockwork. The individual intrusive pulses usually are small in size, not greater than 200 to 300 metres in diameter, or occur as dykes. The largest, the El Negro Porphyry, which hosts minor sulphide mineralisation is granodioritic in composition, with feldspar-biotite-quartz phenocrysts in a medium-grained groundmass.

The El Morro prospect is a 1 kilometre squared zone of hydrothermal alteration that is characterised by kaolinitic external halos grading inward to quartz-sericite alteration and a potassic core. The prospect is about 4 kilometres west of La Fortuna. Copper-gold mineralisation occurs within a secondary supergene blanket (pyrite-chalcocite) and an underlying zone of hypogene sulphides (pyrite-chalcopyrite) developed beneath an immature goethitic/jarositic leached cap. Mineralisation centres on a zone of potassic alteration (secondary biotite + quartz) that is surrounded by a broader zone of illite-kaolinite alteration.

(g) Mineral Reserve and Mineral Resource estimates

The following table sets out the Proven and Probable Mineral Reserves for Goldcorp's 70% interest in the El Morro Project as of 31 March 2008:

Category	Tonnes (millions)	Gold (grams per tonne)	Grade		Contained Metal	
			Copper (%)	Gold (millions of ounces)	Copper (billions of pounds)	Gold
Proven	146.0	0.528	0.659	2.5	2.1	
Probable	169.3	0.408	0.504	1.9	2.2	
Proven + Probable	315.1	0.464	0.576	4.7	4.0	

Notes:

- (1) The Mineral Reserves for the El Morro Project set out in the table above have been estimated by Maryse Belanger, P.Geo., Goldcorp, who is a qualified person under NI 43-101. The Mineral Reserves are classified as proven and probable, and are based on the CIM Standards.
- (2) Mineral Reserves are estimated using a gold price of US\$550 per ounce, a copper price of US\$1.25 per pound, and an economic function that includes variable operating costs and metallurgical recoveries.
- (3) Proven Mineral Reserves are reported using a 0.970% copper equivalent grade; Probable Mineral Reserves are reported using a copper equivalent grade of 0.747% copper equivalent.
- (4) Mineral Reserves are reported using an economic function that includes variable operating costs and variable metallurgical recoveries.
- (5) Numbers may not add up due to rounding.

7. Information about Goldcorp

The following table sets out the Measured, Indicated and Inferred Mineral Resources for Goldcorp's 70% interest in the El Morro Project (including Proven and Probable Mineral Reserves) as of 7 October 2010:

Category	Tonnes (millions)	Gold (grams per tonne)	Grade		Contained Metal	
			Copper (%)	Gold (millions of ounces)	Copper (billions of pounds)	
Measured	147.8	0.54	0.65	2.6	2.1	
Indicated	243.0	0.46	0.49	3.6	2.6	
Measured + Indicated	390.9	0.49	0.56	6.2	4.7	
Inferred	43.6	0.18	0.34	0.3	0.4	

Notes:

- (1) The Mineral Resources for the El Morro Project set out in the table above have been estimated by Maryse Belanger, P.Geo., Goldcorp, who is a qualified person under NI 43-101. The Mineral Resources are classified as measured, indicated and inferred, and are based on the CIM Standards.
- (2) Mineral Resources are inclusive of Mineral Reserves.
- (3) Mineral Resources that are not Mineral Reserves and do not have demonstrated economic viability.
- (4) Mineral Resources are estimated using a gold price of US\$550 per ounce, and a copper price of US\$1.25 per pound.
- (5) Tonnages include allowances for losses resulting from mining methods.
- (6) Ounces and pounds are estimates of metal contained in the Mineral Resource and do not include allowances for processing losses.
- (7) Lerchs-Grossman pit shells were used to constrain the Mineral Resources to assess reasonable prospects of eventual economic extraction.
- (8) Numbers may not add up due to rounding.

(h) Mineral processing

Plant design for the El Morro Project includes a crushing plant, semi-autogenous grinding circuit, pebble crusher, rougher flotation and regrind circuit, and cleaner and scavenger flotation banks. Concentrate will be transferred via pipeline to a concentrate filter plant 108 kilometres from site. Filtered concentrate will be trucked to the proposed port site for trans-shipment.

(i) Mining operations

Life-of-mine production assumptions in the 2008 feasibility study were two years of pre-stripping, and 14 years of metal production. A total 162.1 million tonnes of pre-strip is projected, with 2.66 million tonnes of mineralisation stockpiled to be sent to the crusher in Year 10. The mining rate is envisaged at 90,000 tonnes per day.

Production is scheduled to start in the last part of the second year of pre-strip, with 2.7 million tonnes of ore planned to be sent to the plant. Production is expected to be approximately 32 to 33 million tonnes per year from

production Year 1 to Year 14, with approximately 147 million tonnes per year of waste generated annually in the same period. For Years 1 to 7, about 20 million tonnes per year of lower-grade mineralisation are planned to be sent to a stockpile for treatment in Year 10. "Lower-grade" is defined as any material with a copper equivalent grade of between 0.325% and the actual cut-off grade for any mining period. For planning purposes, the period by period cut-off grades ranged from a low of 0.3% copper equivalent in the later years of planned mine life (Years 9 to 18) to a peak of 0.55% copper equivalent in the first year of production.

An initial capital investment of US\$2,499 million was projected, and included an allowance for real price calculation and a 13.1% contingency allowance. The total life-of-mine capital expenditure, including sustaining capital, was estimated at US\$2,771 million.

Other projects

In addition to the material mineral projects described above, Goldcorp also has interests in other projects as noted in sections 7.5(a), (b) and (c). Tables 1 to 4 of Annexure F contain information relating to the mineral reserves and/or mineral resources of some of these projects.

7. Information about Goldcorp

Recent developments

(a) Sale of San Dimas Mine

On 6 August 2010, Goldcorp completed the sale of the San Dimas gold-silver mine (the **San Dimas Mine**) located in Mexico to Primero Mining Corp. (TSX: P) (formerly Mala Noche Resources Corp.) (**Primero**). In consideration for the sale of the San Dimas Mine, Goldcorp received 31,151,200 common shares of Primero, representing approximately 36% of Primero's then issued and outstanding common shares, US\$216 million in cash, a US\$60 million 12-month convertible note bearing an annual interest rate of 3% and a US\$50 million five-year promissory note bearing an annual interest rate of 6%. Goldcorp, for so long as it holds at least 10% of Primero's issued and outstanding common shares (on a non-diluted basis), has the right, subject to certain conditions, to participate in future equity financings and certain non-cash transactions undertaken by Primero to maintain its percentage interest in Primero.

(b) Investment in Terrane Metals Corp.

On 15 July 2010, Goldcorp announced that it had agreed to support the proposed transaction whereby Thompson Creek Metals Company Inc. (TSX and NYSE: TCM) (**Thompson Creek**) will acquire all of the outstanding common and preferred shares of Terrane Metals Corp. (**Terrane**). Goldcorp controls 58% of the outstanding shares of Terrane. At the shareholders meeting of Terrane held to consider the approval of the proposed transaction, Goldcorp voted its securities in support of the acquisition. The acquisition closed on 20 October 2010 and Goldcorp received proceeds of C\$240.5 million in cash and 13.9 million common shares of Thompson Creek, representing approximately 8% of Thompson Creek's issued and outstanding common shares.

(c) Sale of Escobal Project

On 8 June 2010, Goldcorp completed the sale of the Escobal silver deposit (the Escobal Project) located in Guatemala to Tahoe Resources Inc. (TSX: THO) (**Tahoe**). In consideration for the sale of the Escobal Project, Goldcorp received 47,766,007 common shares of Tahoe, representing approximately 40% of Tahoe's then issued and outstanding common shares on a fully-diluted basis, and US\$222 million in cash. Goldcorp, for so long as it holds at least 20% of Tahoe's issued and outstanding common shares, has the right, subject to certain conditions, to participate in future equity financings and certain non-cash transactions undertaken by Tahoe to maintain its percentage interest in Tahoe.

7.6 Capital structure and ownership

(a) Summary

As at the date of this Scheme Booklet, Goldcorp has the following securities on issue:

- 736,323,956 Goldcorp Shares;
- 16,833,486 Goldcorp Options;
- 478,333 Goldcorp RSUs;
- 219,200 Goldcorp PSUs;
- Goldcorp Notes;
- 8,439,425 Goldcorp Warrants.

(b) Goldcorp Shares

The authorised share capital of Goldcorp consists of an unlimited number of Goldcorp Shares. As at the date of this Scheme Booklet, 736,323,956 Goldcorp Shares were issued and outstanding.

Holders of Goldcorp Shares are entitled to receive notice of any meetings of shareholders of Goldcorp, to attend and to cast one vote per Goldcorp Share at all such meetings. Holders of Goldcorp Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Goldcorp Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Goldcorp Shares are entitled to receive on a pro-rata basis such dividends, if any, as and when declared by Goldcorp's board of directors at its discretion from funds legally available and upon the liquidation, dissolution or winding up of Goldcorp are entitled to receive on a pro-rata basis the net assets of Goldcorp after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro-rata basis with the holders of Goldcorp Shares with respect to dividends or liquidation. The Goldcorp Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

During the 12 month period prior to the date of this Scheme Booklet, Goldcorp issued an aggregate of 3,606,506 Goldcorp Shares upon exercise of stock options at exercise prices ranging from C\$3.25 to C\$39.77.

7. Information about Goldcorp

(c) Goldcorp Options

As at the date of this Scheme Booklet, an aggregate of 16,833,486 stock options (the **Goldcorp Options**) were issued and outstanding, each exercisable to acquire one Goldcorp Share at prices ranging from C\$12.55 to C\$44.50 and expiry dates ranging from 27 February 2011 to 1 September 2017.

Goldcorp's stock option plan (the **Stock Option Plan**) is designed to advance the interests of Goldcorp by encouraging employees and officers to have equity participation in Goldcorp through the acquisition of Goldcorp Shares. The aggregate maximum number of Goldcorp Shares that may be reserved for issuance under the Stock Option Plan is 32,500,000, representing approximately 4.43% of the issued and outstanding Goldcorp Shares as at 31 December 2009. Under the Stock Option Plan, stock options may be granted to employees and officers of Goldcorp and designated affiliates. In determining the terms of each grant of stock options, consideration is given to the participant's present and potential contribution to the success of Goldcorp. The exercise price per share is not to be less than the volume-weighted average trading price of the Goldcorp Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the Goldcorp Shares occurs, for the five trading days immediately preceding the day the option is granted. The Goldcorp Board cannot reduce the exercise price of any outstanding options. The exercise period for each stock option is not to be more than five years. Options are always granted subject to vesting requirements. The maximum number of Goldcorp Shares issuable to insiders, at any time, pursuant to the Stock Option Plan and any other security based compensation arrangements of Goldcorp, is 10% of the total number of Goldcorp Shares then outstanding. The maximum number of Goldcorp Shares issuable to insiders, within any one year period, pursuant to the Stock Option Plan and any other security based compensation arrangements of Goldcorp, is 10% of the total number of Goldcorp Shares then outstanding. A copy of the Stock Option Plan, as amended, is available under Goldcorp's profile on SEDAR at sedar.com.

(d) Goldcorp Restricted Share Units

As at the date of this Scheme Booklet, an aggregate of 478,333 restricted share units (the **Goldcorp RSUs**) were issued and outstanding, each entitling the holder to receive one Goldcorp Share, subject to restricted periods expiring on dates ranging from 11 May 2011 to 10 August 2013.

Goldcorp's restricted share unit plan (the **RSU Plan**) provides that share-based awards in the form of Goldcorp RSUs may be granted to employees, officers and directors of Goldcorp as a discretionary payment in consideration of past services to Goldcorp. The current intention of Goldcorp is to use the RSU Plan for grants of RSUs to the non-executive directors of Goldcorp as part of their annual retainer at the rate of 3,500 RSUs per director each year. Grants of RSUs to the non-executive directors have been used since 2005 as equity-based compensation in lieu of stock options, which were discontinued for non-executive directors in 2005.

(e) Goldcorp Performance Share Units

As at the date of this Scheme Booklet, an aggregate of 219,200 performance share units (the **Goldcorp PSUs**) were issued and outstanding, each to be settled in cash, subject to certain performance criteria with the performance periods commencing on 3 August 2010 and ending on 3 July 2013.

(f) Goldcorp Notes

As at the date of this Scheme Booklet US\$862.5 million aggregate principal amount of 2% convertible senior notes due 2014 (the **Goldcorp Notes**) were outstanding. The Goldcorp Notes were issued on 5 June 2009. Upon conversion of the Goldcorp Notes, Goldcorp may, in lieu of delivery of its common shares, elect to pay or deliver, as the case may be, cash or a combination of cash and common shares, in respect of the converted Goldcorp Notes. As of the date of this Scheme Booklet, none of the Goldcorp Notes have been converted.

7. Information about Goldcorp

(g) Goldcorp Warrants

As at the date of this Scheme Booklet, an aggregate of 8,439,425 common share purchase warrants (the Goldcorp Warrants) were issued and outstanding, each exercisable to acquire one Goldcorp Share at a price of C\$45.75 until 9 June 2011.

(h) Substantial shareholders

As at the date of this Scheme Booklet, so far as known to Goldcorp, the following persons were beneficial owners of 5% or more of the issued and outstanding Goldcorp Shares:

Name of Shareholder	Number of Goldcorp Shares	Voting Power
Fidelity Management & Research	43,747,784	5.96%

Note:

The information as to Goldcorp Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of Goldcorp, has been obtained by Goldcorp from publicly disclosed information.

7.7 Financial information

(a) Introduction

The selected Goldcorp historical financial information in this section has been extracted from the consolidated financial statements contained in the audited annual reports of Goldcorp for the year ended 31 December 2009 and the unaudited interim consolidated financial statements of Goldcorp for the six month period ended 30 June 2010 prepared in accordance with Canadian GAAP. The unaudited pro-forma condensed consolidated financial statements in section 8.7 have been reconciled to A-IFRS.

The information in this **section 7.7** is a summary only and has been prepared solely for inclusion in this Scheme Booklet. The full Goldcorp financial accounts (inclusive of all notes) and Goldcorp's management's discussion and analysis for the periods ended 30 June 2010 and 31 December 2009 are incorporated by reference in accordance with **section 11.11** of this Scheme Booklet and are available from Goldcorp's website at goldcorp.com and under Goldcorp's profile on SEDAR at sedar.com.

For the purposes of the disclosure in this Scheme Booklet, historical Goldcorp financial information has been converted to an A\$ presentation currency on the following basis:

- items of income and expense and cash inflows and cash outflows have been converted based on the average exchange rate for the relevant period as follows:
 - (i) For the six months ended 30 June 2010:
1 US\$ = 1.12 A\$; and
 - (ii) For the year ended 31 December 2009:
1 US\$ = 1.26 A\$.
- assets and liabilities have been converted based on the closing exchange rates:
 - (i) at 30 June 2010: 1 US\$ = 1.17 A\$; and
 - (ii) at 31 December 2009 1 US\$ = 1.12 A\$.
- due to the long history of operations of Goldcorp, details of all equity transactions and the exchange rate prevailing at the date of the transactions have not been able to be specifically identified, nor has management attempted to estimate them. As a result, equity items have been converted based on the closing exchange rates at 30 June 2010 (1 US\$ = 1.17 A\$) and 31 December 2009 (1 US\$ = 1.12 A\$).

The A\$ presentation is for information purposes only. The translation method adopted above results in a difference between the cash and cash equivalents balance (at period end) reflected in the statement of cash flows and balance sheet respectively.

This information does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of Goldcorp as the full consolidated financial statements.

7. Information about Goldcorp

(b) Consolidated Balance Sheets

Set out below are Goldcorp's consolidated Canadian GAAP balance sheets as at 30 June 2010 and 31 December 2009.

All amounts are in millions. Please refer to Note 4 in **section 8.8** of this Scheme Booklet for an explanation of the material differences between A-IFRS and C-GAAP.

Consolidated Balance Sheets

	US\$		A\$ (unaudited)	
	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Assets				
Cash and cash equivalents	\$497.2	\$874.6	\$583.4	\$975.2
Marketable securities	23.2	24.9	27.2	27.8
Accounts receivable	280.9	232.6	329.6	259.3
Income and mining taxes receivable	6.9	38.4	8.1	42.8
Future income and mining taxes	1.7	3.6	2.0	4.0
Inventories and stockpiled ore	365.0	349.4	428.3	389.6
Current derivative assets	14.5	8.1	17.0	9.0
Current assets of a disposal group held for sale	10.4	–	12.2	–
Other	82.1	69.9	96.3	77.9
Current assets	1,281.9	1,601.5	1,504.1	1,785.6
Mining interests	19,832.1	18,001.3	23,268.7	20,071.4
Deposits on mining interest expenditures	18.4	86.9	21.6	96.9
Goodwill	761.8	761.8	893.8	849.4
Stockpiled ore	88.2	93.6	103.5	104.4
Investments	504.1	390.3	591.5	435.2
Non-current assets of a disposal group held for sale	29.0	–	34.0	–
Other	18.2	13.3	21.4	14.8
	\$22,533.7	\$20,948.7	\$26,438.6	\$23,357.7
Liabilities				
Accounts payable and accrued liabilities	\$434.8	\$416.4	\$510.1	\$464.3
Income and mining taxes payable	98.6	182.6	115.7	203.6
Current debt	–	16.7	–	18.6
Future income and mining taxes	54.3	107.9	63.7	120.3
Current derivative liabilities	3.0	11.4	3.5	12.7
Current liabilities of a disposal group held for sale	11.2	–	13.1	–
Current liabilities	601.9	735.0	706.1	819.5
Income and mining taxes payable	112.8	65.4	132.3	72.9
Long term debt	732.6	719.0	859.6	801.7
Future income and mining taxes	3,902.4	3,575.2	4,578.7	3,986.3
Reclamation and closure cost obligations	281.6	282.0	330.4	314.4
Non-current liabilities of a disposal group held for sale	169.1	–	198.4	–
Other	24.8	27.8	29.1	31.0
	5,825.2	5,404.4	6,834.6	6,025.8

7. Information about Goldcorp

(continued)	US\$		A\$ (unaudited)	
Consolidated Balance Sheets	30 June 2010	31 December 2009	30 June 2010	31 December 2009
Equity				
Goldcorp Shares, Goldcorp Warrants, Goldcorp Options, Goldcorp RSUs and equity portion of Goldcorp Notes	12,995.3	12,908.9	15,247.3	14,393.4
Retained earnings	3,070.8	2,345.5	3,603.0	2,615.2
Accumulated other comprehensive income	323.4	238.8	379.4	266.3
	3,394.2	2,584.3	3,982.4	2,881.5
Shareholders' equity	16,389.5	15,493.2	19,229.7	17,274.9
Non-controlling interests	319.0	51.1	374.3	57.0
	16,708.5	15,544.3	19,604.0	17,331.9
	\$22,533.7	\$20,948.7	\$26,438.6	\$23,357.7

7. Information about Goldcorp

(c) Consolidated Statements of Earnings

Set out below is Goldcorp's unaudited consolidated Canadian GAAP Statement of Earnings for the six months ended 30 June 2010. All amounts are in millions, except basic and diluted earnings per share amounts, and weighted-average number of shares outstanding.

Consolidated Statements of Earnings

	US\$	A\$
Revenues	\$1,594.6	\$1,784.7
Operating expenses	645.3	722.2
Depreciation and depletion	269.1	301.2
Earnings from mine operations	680.2	761.3
Corporate administration ⁽¹⁾	82.8	92.7
Exploration	29.1	32.6
Earnings from operations	568.3	636.0
Other income (expenses)		
Interest income and other expenses, net	(17.8)	(19.8)
Interest expense and finance fees	(23.7)	(26.5)
Gain on non-hedge derivatives, net	16.6	18.6
Loss on securities, net	(0.5)	(0.6)
Gain on dispositions of mining interests, net	407.3	455.9
Loss on foreign exchange, net	(20.2)	(22.6)
	361.7	405.0
Earnings before taxes	930.0	1,041.0
Income and mining taxes	(156.0)	(174.6)
Net earnings	\$774.0	\$866.4
Attributable to:		
Shareholders of Goldcorp	776.0	868.5
Non-controlling interests	(2.0)	(2.1)
Net earnings	\$774.0	\$866.4
⁽¹⁾ Stock based compensation expense (non-cash item) included in corporate administration	\$25.4	\$28.4
Net earnings per share		
Basic	\$1.06	\$1.18
Diluted	\$1.05	\$1.18
Weighted-average number of shares outstanding (000's)		
Basic	734,279	734,279
Diluted	737,317	737,317

7. Information about Goldcorp

Set out below is Goldcorp's consolidated Canadian GAAP Statement of Earnings for the year ended 31 December 2009. All amounts are in millions, except basic and diluted earnings per share amounts, and weighted-average number of shares outstanding.

Consolidated Statements of Earnings

	US\$	A\$ (unaudited)
Revenues	\$2,723.6	\$3,435.8
Operating expenses	1,187.3	1,497.8
Depreciation and depletion	526.2	663.8
Earnings from mine operations	1,010.1	1,274.2
Corporate administration ⁽¹⁾	137.6	173.6
Exploration	32.5	41.0
Write-down of mining interests	24.0	30.3
Earnings from operations	816.0	1,029.3
Other income (expenses)		
Interest and other income (expenses)	(19.1)	(23.9)
Interest expense and finance fees	(59.0)	(74.4)
Gain on non-hedge derivatives, net	3.6	4.5
Gain on securities, net	50.2	63.3
Gain on disposition of mining interests	20.1	25.4
Dilution loss, net	(0.3)	(0.4)
Loss on foreign exchange	(366.6)	(462.5)
	(371.1)	(468.0)
Earnings before taxes and non-controlling interests	444.9	561.3
Income and mining taxes	(206.7)	(260.8)
Non-controlling interests	2.0	2.5
Net earnings	\$240.2	\$303.0
⁽¹⁾ Stock based compensation expense (non-cash item) included in corporate administration	\$45.1	\$56.9
Net earnings per share		
Basic	\$0.33	\$0.41
Diluted	\$0.33	\$0.41
Weighted-average number of shares outstanding (000's)		
Basic	731,306	731,306
Diluted	734,564	734,564

7. Information about Goldcorp

(d) Consolidated Statements of Cash Flows

Set out below is Goldcorp's unaudited consolidated Canadian GAAP Statement of Cash Flows for the six months ended 30 June 2010. All amounts are in millions.

Consolidated Statements of Cash Flows

	US\$	A\$
Operating activities		
Net earnings	\$774.0	\$866.4
Reclamation expenditures	(10.6)	(11.9)
Loss on securities, net	0.5	0.6
Gain on dispositions of mining interests, net	(407.3)	(455.9)
Items not affecting cash		
Depreciation and depletion	269.1	301.2
Stock based compensation expense	25.4	28.4
Accretion on convertible senior notes	13.6	15.2
Unrealised gain on non-hedge derivatives, net	(14.8)	(16.6)
Future income and mining taxes	(80.0)	(89.5)
Unrealised loss on foreign exchange and other	25.8	28.9
Change in non-cash working capital	101.3	113.2
Cash provided by operating activities	697.0	780.0
Investing activities		
Acquisitions, net of cash acquired	(795.3)	(890.1)
Expenditures on mining interests	(603.0)	(674.9)
Deposits on mining interest expenditures	(24.6)	(27.5)
Repayment of capital invested in Pueblo Viejo	192.0	214.9
Proceeds on disposition of mining interests	267.0	298.8
Income taxes paid on disposition of Silver Wheaton shares	(148.7)	(166.4)
Purchase of equity securities	(4.0)	(4.5)
Other	1.3	1.5
Cash used in investing activities	(1,115.3)	(1,248.2)
Financing activities		
Debt borrowings	730.0	817.0
Debt repayments	(747.4)	(836.5)
Common shares issued, net	60.5	67.7
Shares issued by subsidiaries to non-controlling interests	65.3	73.1
Dividends paid to common shareholders	(66.0)	(73.9)
Other	(0.4)	(0.4)
Cash provided by financing activities	42.0	47.0
Effect of exchange rate changes on cash and cash equivalents	(1.1)	(1.2)
Decrease in cash and cash equivalents	(377.4)	(422.4)
Cash and cash equivalents, beginning of period	874.6	978.9
Cash and cash equivalents, end of period	\$497.2	\$556.5

7. Information about Goldcorp

Set out below is Goldcorp's consolidated Canadian GAAP Statement of Cash Flows for the year ended 31 December 2009. All amounts are in millions.

Consolidated Statements of Cash Flows

	US\$	A\$ (unaudited)
Operating activities		
Net earnings	\$240.2	\$303.0
Reclamation expenditures	(26.5)	(33.4)
Transaction costs on convertible senior notes expensed	18.5	23.3
Gain on securities, net	(50.2)	(63.3)
Items not affecting cash		
Depreciation and depletion	526.2	663.8
Stock based compensation expense	45.1	56.9
Write-down of mining interests	24.0	30.3
Accretion on convertible senior notes	15.6	19.7
Unrealised loss on non-hedge derivatives, net	3.3	4.2
Gain on disposition of mining interests	(20.1)	(25.4)
Dilution loss	0.3	0.4
Future income and mining taxes	55.0	69.4
Non-controlling interests	(2.0)	(2.5)
Unrealised loss on foreign exchange and other	350.8	442.5
Change in non-cash working capital	90.0	113.4
Cash provided by operating activities	1,270.2	1,602.3
Investing activities		
Expenditures on mining interests	(1,015.0)	(1,280.4)
Deposits on mining interest expenditures	(341.4)	(430.7)
Proceeds from disposition of mining interests, net	14.0	17.7
Purchases of securities	(181.9)	(229.5)
Proceeds from sales of securities	65.2	82.2
Other	0.4	0.5
Cash used in investing activities	(1,458.7)	(1,840.2)
Financing activities		
Debt borrowings	1,332.0	1,680.3
Debt repayments	(460.0)	(580.3)
Transaction costs on convertible senior notes	(22.7)	(28.6)
Common shares issued, net	79.1	99.8
Shares issued by subsidiaries to non-controlling interests	2.5	3.2
Dividends paid to common shareholders	(131.7)	(166.1)
Cash provided by financing activities	799.2	1,008.3
Effect of exchange rate changes on cash and cash equivalents	1.6	2.0
Increase in cash and cash equivalents	612.3	772.4
Cash and cash equivalents, beginning of year	262.3	330.9
Cash and cash equivalents, end of year	\$874.6	\$1,103.3

7. Information about Goldcorp

(e) Management's discussion and analysis

Management's discussion for the six months ended 30 June 2010

The information in this section has been adapted from Goldcorp's management's discussion and analysis for the six months ended 30 June 2010.

Highlights of the six months ended 30 June 2010:

- Gold production increased to 1,234,500 ounces from 1,198,900 ounces in 2009.
- Net earnings attributable to shareholders of Goldcorp of US\$776.0 million (US\$1.06 per share), compared to US\$59.3 million (US\$0.08 per share) in 2009.
- Operating cash flows of US\$697.0 million, compared to US\$561.7 million in 2009. Operating cash flows before working capital changes of US\$595.7 million, compared to US\$551.4 million in 2009.
- Dividends paid of US\$66.0 million, compared to US\$65.8 million in 2009.
- In April 2010, Goldcorp and Barrick, the project operator of the Pueblo Viejo Project, finalised the terms of a US\$1.035 billion project financing. In June 2010, US\$781.5 million was drawn under the facility (US\$312.6 million – Goldcorp's share).
- On 16 April 2010, Terrane, a non-wholly owned subsidiary of Goldcorp, completed a bought-deal financing agreement for the sale of units, consisting of common shares and common share purchase warrants, concurrent with the issuance of additional units to Goldcorp on a non-brokered private placement basis for total consideration of C\$100.0 million (US\$99.7 million), resulting in a decrease of Goldcorp's interest in Terrane to 58.2% (fully-diluted basis – 52.4%).
- On 1 June 2010, certain Goldcorp subsidiaries entered into a letter agreement, as amended on 7 July 2010, to sell to Mala Noche Resources Corp. (**Mala Noche**) or its subsidiaries, the assets and certain liabilities of the San Dimas gold/silver mines in Mexico and associated agreement to sell silver produced at San Dimas to a subsidiary of Silver Wheaton in exchange for US\$216.0 million in cash, US\$50.0 million in promissory note receivable, US\$60.0 million in convertible promissory note receivable and an anticipated 38% equity interest in Mala Noche for total consideration of US\$510.0 million. The transaction closed on 6 August 2010.

- On 8 June 2010, Goldcorp completed the sale of its Escobal silver project to Tahoe in exchange for US\$224.6 million in cash and a 40% equity interest in Tahoe for total consideration of US\$495.5 million.
- On 14 June 2010, the second sulphide line at the Peñasquito Mine achieved mechanical completion ahead of its previously expected third quarter completion date.

Summary of consolidated results for the six months ended 30 June 2010:

Net earnings attributable to shareholders of Goldcorp for the six months ended 30 June 2010 were US\$776.0 million or US\$1.06 per share, compared with net earnings of US\$59.3 million or US\$0.08 per share for the six months ended 30 June 2009. Compared to the six months ended 30 June 2009, net earnings attributable to shareholders of Goldcorp for the six months ended 30 June 2010 were impacted significantly by the following factors:

- Revenues increased by US\$341.2 million, or 27%, primarily due to a US\$275.7 million increase in gold revenues resulting from a US\$240 per ounce increase in average realised gold price, a US\$33.4 million increase in copper revenues resulting from a 3% increase in copper sales volume and 17% higher average realised copper price and a US\$26.8 million increase in silver revenues resulting from a US\$3.91 per ounce increase in average realised silver price and a 16% increase in silver sales volume;
- Operating expenses increased by US\$83.2 million, or 15%, primarily due to the higher copper and silver sales volumes, US\$20.6 million higher YMAD net proceeds payments paid in Alumbraera and the unfavourable impact of the strengthening of the Canadian dollar and Mexican peso by 14% and 9%, respectively, offset by US\$3.7 million lower export retention taxes paid in Alumbraera;
- Depreciation and depletion increased by US\$15.0 million, or 6%, mainly due to the higher sales volumes;
- A US\$17.3 million increase in corporate administration, mainly due to increased corporate activities;
- A US\$14.5 million increase in exploration costs due to a renewed focus on drilling programs. The economic downturn in the first quarter of 2009 resulted in Goldcorp temporarily deferring exploration at certain longer-term growth projects;

7. Information about Goldcorp

- Interest income and other expenses increased by US\$12.8 million primarily due to US\$9.4 million of transaction costs related to the acquisitions of the Camino Rojo Project and the El Morro Projects;
- A US\$16.6 million gain on derivatives from foreign currency, heating oil, copper and zinc contracts in the six months ended 30 June 2010, compared to a US\$9.7 million gain from foreign currency, heating oil and copper contracts in the six months ended 30 June 2009;
- A US\$407.3 million net gain on dispositions of mining interests before tax (US\$428.0 million after tax) during the six months ended 30 June 2010 from the sale of the Escobal silver project (US\$484.1 million gain before tax; US\$480.6 million after tax), a certain exploration property in Mexico (US\$63.7 million loss before tax; US\$48.1 million after tax), certain land at Wharf (US\$5.6 million gain; US\$3.7 million after tax) and El Limón (US\$18.7 million loss before tax; US\$8.2 million after tax);
- A US\$16.3 million loss on the translation of future income tax liabilities on mining interests arising from acquisitions in the six months ended 30 June 2010, compared to a US\$184.2 million loss in the six months ended 30 June 2009, primarily due to the higher volatility of foreign exchange in the six months ended 30 June 2009;
- A lower effective tax rate for the six months ended 30 June 2010, excluding the impact of the foreign exchange gain and loss on the translation of future income tax liabilities, compared to the six months ended 30 June 2009, primarily due to the gain on the disposition of the Escobal silver project being subject to a lower effective tax rate, partially offset by inflation adjustments in certain foreign tax jurisdictions and the current year impact of the increase in the Mexican income tax rate from 28% to 30%. The effective tax rate for the six months ended 30 June 2009, although higher than for the six months ended 30 June 2010, is lower than the effective tax rate normally expected primarily due to the favourable tax impacts of the additional tax benefits recognised in 2009 from the harmonisation of Ontario corporate income tax with the Federal tax system and the final settlement of certain tax audit issues.

Management's discussion for the year ended 31 December 2009

The information in this section has been adapted from Goldcorp's management's discussion and analysis for the year ended 31 December 2009 which is incorporated by reference.

Highlights of the year ended 31 December 2009:

- Gold production of 2,421,300 ounces for the year, compared to 2,324,300 ounces, respectively, in 2008.
- Net earnings of US\$240.2 million (US\$0.33 per share) for the year, compared to net earnings of US\$1,475.6 million (US\$2.07 per share) in 2008.
- Operating cash flows from continuing operations of US\$1,270.2 million for the year, compared to US\$866.0 million in 2008. Operating cash flows before working capital changes of US\$1,180.2 million for the year, compared to US\$933.2 million in 2008.
- On 5 June 2009, Goldcorp completed a 2% convertible senior note offering, due August 2014 for net proceeds of US\$839.8 million.
- On 13 October 2009, Goldcorp announced that the first lead and zinc concentrates were produced at its Peñasquito Project in Mexico.
- On 13 November 2009, the proposed amendments to the special lease agreement at the Pueblo Viejo Project in the Dominican Republic were approved.
- On 16 November 2009, Goldcorp entered into an agreement with Canplats Resources Corporation to acquire a 100% interest in the Camino Rojo Project in Mexico. This transaction completed on 4 February 2010.

Summary of consolidated results for the year ended 31 December 2009:

Net earnings for the year ended 31 December 2009 were US\$240.2 million, or US\$0.33 per share, compared to US\$1,475.6 million, or US\$2.07 per share in 2008. Compared to 2008, net earnings were impacted significantly by the following factors:

- Revenues increased by US\$304.0 million, or 13%, primarily due to a US\$298.3 million increase in gold revenues resulting from a US\$110 per ounce increase in realised gold prices and a 2% increase in gold sales volume and a US\$14.2 million increase in copper revenues resulting from a 19% increase in realised copper prices, offset by a 12% decrease in copper sales volume;

7. Information about Goldcorp

- Operating expenses increased by US\$23.1 million, or 2%, primarily as a result of the higher gold and silver sales volumes, employee costs, consumption of consumables/reagents, maintenance costs and export retention taxes (US\$51.7 million in 2009, compared to US\$42.9 million in 2008), offset by the positive impact of the weakening of the Canadian dollar by 7% and the Mexican peso by 21% (US\$44.8 million) and lower YMAD net proceeds payments (US\$39.1 million in 2009, compared to US\$47.3 million in 2008);
- Depreciation and depletion increased by US\$27.1 million, or 5%, primarily as a result of the 4% increase in gold production and increase in reclamation expenditures expensed directly in earnings relating to closed mines;
- Exploration costs decreased by US\$34.0 million, or 51%, due to the focus on key development projects, in line with Goldcorp's 2009 plan;
- A US\$17.3 million after tax (US\$24.0 million before tax) write-down of Goldcorp's investment in El Limón during the fourth quarter of 2009 as a result of the transaction which completed on 24 February 2010, with sales proceeds below the carrying amount of the investment prior to the write-down, compared to a US\$30.9 million after tax (US\$47.1 million before tax) write-down in the carrying amount of the Pamour open pit mining property at the Porcupine Mine in 2008 due to the loss of reserve ounces as at 31 December 2008;
- Interest and other income (expenses) decreased by US\$47.4 million primarily due to the accrual of US\$17.6 million relating to 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 resulting from the proceeds on the Goldcorp Notes;
- Interest expense and financing fees increased by US\$51.8 million primarily as a result of the US\$18.5 million of issue costs expensed and US\$25.5 million of interest expensed relating to the Goldcorp Notes and US\$10.3 million of interest accrued relating to withholding taxes;
- A US\$3.6 million gain on non-hedge derivatives, compared to a US\$2.6 million loss in 2008;
- A US\$49.7 million after tax gain on securities (US\$50.2 million before tax) due to the US\$42.8 million gain, net of selling costs, on the sale of Goldcorp's 7% equity investment in New Gold and the increase in fair values of Goldcorp's investments in warrants, compared to a US\$105.9 million loss on securities (before and after tax) in 2008 primarily due to the recognition of unrealised impairment losses on two of Goldcorp's investments in equity securities;
- A US\$15.1 million after tax gain (US\$20.1 million before tax) on disposition of certain mining interests, compared to a US\$0.5 million after tax gain (US\$2.6 million before tax) in 2008;
- A US\$136.5 million after tax gain (US\$292.5 million before tax) from the disposition of the Silver Wheaton shares in the first quarter of 2008; and
- A US\$324.3 million foreign exchange loss on the translation of future income tax liabilities on mining interests primarily arising from acquisitions in 2006 and an acquisition in the third quarter of 2008, due to the 15% and 6% strengthening of the Canadian dollar and Mexican peso, respectively, during the year ended 31 December 2009, compared to a US\$1.1 billion non-cash foreign exchange gain in 2008 due to the 24% and 27% weakening of the Canadian dollar and Mexican peso, respectively, during the year ended 31 December 2008.

7. Information about Goldcorp

7.8 Recent Goldcorp share and warrant price performance

(a) Goldcorp Shares

The Goldcorp Shares are listed and posted for trading and on the TSX under the symbol “G” and on the NYSE under the symbol “GG”. The majority of trading in Goldcorp Shares by volume occurs on the NYSE. The following table sets out information relating to the trading of the Goldcorp Shares on the TSX for the months indicated.

Month	High (C\$)	Low (C\$)	Volume
October 2009	45.37	38.40	54,727,375
November 2009	47.99	39.39	63,935,669
December 2009	48.37	39.98	59,962,275
January 2010	44.91	36.24	52,018,027
February 2010	41.28	35.12	57,485,862
March 2010	42.00	37.34	60,982,706
April 2010	44.61	38.12	55,991,694
May 2010	48.18	42.59	70,266,107
June 2010	47.87	43.46	58,586,267
July 2010	44.97	39.44	48,825,298
August 2010	48.18	39.76	51,567,687
September 2010	47.28	42.60	65,315,952
1 to 25 October 2010	46.09	42.43	45,605,634

The latest recorded sale price of the Goldcorp Shares as quoted by the TSX at the close of business on 25 October 2010, Toronto (the latest practicable date prior to the finalisation of this Scheme Booklet) was C\$43.55.

The price of the Goldcorp Shares as quoted by the TSX at the close of business on 2 September 2010, the last trading day prior to the announcement of the Merger, was C\$46.18.

During the three months ended 25 October 2010, Toronto (the latest practicable date prior to the finalisation of this Scheme Booklet):

- the highest recorded daily closing price for the Goldcorp Shares on the TSX was C\$47.30 on 31 August 2010; and
- the lowest recorded daily closing price for the Goldcorp Shares on the TSX was C\$39.76 on 3 August 2010.

7. Information about Goldcorp

(b) Goldcorp Warrants

The Goldcorp Warrants are listed and posted for trading on the TSX under the symbol "G.WT.G" and on the NYSE under the symbol "GGWS". The following table sets out information relating to the trading of the Goldcorp Warrants on the TSX for the months indicated.

Month	High (C\$)	Low (C\$)	Volume
October 2009	9.72	6.90	129,183
November 2009	9.50	7.44	565,044
December 2009	9.50	6.51	243,085
January 2010	7.99	4.16	271,591
February 2010	5.95	3.85	238,928
March 2010	5.94	4.40	111,192
April 2010	6.12	4.26	159,060
May 2010	7.95	5.38	153,469
June 2010	7.31	5.27	326,747
July 2010	6.17	4.10	273,567
August 2010	6.60	4.10	262,608
September 2010	6.16	4.42	372,091
1 to 25 October 2010	5.60	3.83	533,236

The latest recorded sale price of the Goldcorp Warrants as quoted by the TSX at the close of business on 25 October 2010, Toronto (the latest practicable date prior to the finalisation of this Scheme Booklet) was C\$4.30. The price of the Goldcorp Warrants as quoted by the TSX at the close of business on 2 September 2010, the last trading day prior to the announcement of the Merger, was C\$5.55.

7.9 Distributions

During the three financial years ended 31 December 2009, 2008 and 2007, Goldcorp has paid monthly dividends to shareholders in the amount of US\$0.015 per share.

Although Goldcorp expects to continue paying an annual cash dividend, the timing and the amount of the dividends to be paid by Goldcorp will be determined by the Goldcorp Board from time to time based upon, among other things, cash flow, the results of operations and financial condition of Goldcorp and its subsidiaries, the need for funds to finance ongoing operations, compliance with credit agreements and other instruments, and such other considerations as the Goldcorp Board considers relevant.

7.10 Directors of Goldcorp

As at the date of this Scheme Booklet, the directors of Goldcorp are as follows:

(a) Ian W. Telfer – Chairman of the Board and Director

Mr Telfer was appointed Chairman of the Board of Goldcorp effective 15 November 2006 and was appointed Chairman of the World Gold Council in December 2009. Prior thereto, he was President and Chief Executive Officer of Goldcorp since 17 March 2005 and Chairman and Chief Executive Officer of Wheaton River Minerals Ltd. prior to such time since September 2001. Mr Telfer has over 25 years experience in the precious metals business. He has served as a director and/or officer of several Canadian and international companies. Mr Telfer is a Chartered Accountant. He holds a Bachelor of Arts degree from the University of Toronto and a Masters in Business Administration from the University of Ottawa.

(b) Douglas M. Holtby – Vice Chairman of the Board and Lead Director

Mr Holtby is the Vice-Chairman of the Board and Lead Director of Goldcorp. He is also President and Chief Executive Officer of three private investment companies, Arbutus Road Investments Inc., Majick Capital Inc. and Holtby Capital Corporation and Chairman of the Board of Silver Wheaton. From 1974 to 1989, he was President of

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Allarcom Limited, from 1982 to 1989, he was President of Allarcom Pay Television Limited, from 1989 to 1996, he was President, Chief Executive Officer and a director of WIC Western International Communications Ltd. and Chairman of Canadian Satellite Communications Inc. and, from 1998 to 1999, he was a Trustee of ROB.TV and CKVU. He is a Fellow Chartered Accountant.

(c) Charles A. Jeannes – President, Chief Executive Officer and Director

Mr Jeannes was appointed President and Chief Executive Officer of Goldcorp effective 1 January 2009. He previously held the role of Executive Vice President, Corporate Development of Goldcorp from November 2006 until December 2008. From 1999 until the completion of the acquisition of Glamis, he was Executive Vice President, Administration, General Counsel and Secretary of Glamis. Prior to joining Glamis, Mr Jeannes worked for Placer Dome, most recently as Vice President of Placer Dome North America. He holds a Bachelor of Arts degree from the University of Nevada and graduated from the University of Arizona School of Law with honours in 1983. He practiced law from 1982 until 1994 and has broad experience in mining transactions, public and private financing, permitting and international regulation.

(d) John P. Bell – Director

Mr John Bell was Canadian Ambassador to the Ivory Coast from 1984 to 1987 and then Ambassador to Brazil from 1987 to 1990. He also served as High Commissioner to Malaysia from 1993 to 1996. Mr Bell was special advisor to the Canadian Minister of Foreign Affairs and Head of the Canadian Delegation on environment issues during the lead-up to the Earth Summit in Rio de Janeiro in June 1992, and was Canada's chief negotiator at the Earth Summit. Mr Bell has been Chief Federal Negotiator for the Indian Affairs and has served on several not-for-profit boards of directors. Mr Bell is also an independent director of Taiga Building Products Ltd. He holds a Bachelor of Commerce and an Honorary Doctorate of Laws from the University of British Columbia.

(e) Lawrence I. Bell – Director

Mr Lawrence Bell served as the non-executive Chairman of British Columbia Hydro and Power Authority until December 2007. From August 2001 to November 2003, Mr Bell was Chairman and Chief Executive Officer of British Columbia Hydro and Power Authority and, from 1987 to 1991, he was Chairman and Chief Executive Officer of British Columbia Hydro and Power Authority. He is also a director of International Forest Products Limited and

Silver Wheaton and is former Chairman of the University of British Columbia Board of Directors and former Chairman of Canada Line (Rapid Transit) Project. Prior to these positions, Mr Bell was Chairman and President of the Westar Group and Chief Executive Officer of Vancouver City Savings Credit Union. In the province's public sector, Mr Bell has served as Deputy Minister of Finance and Secretary to the Treasury Board. He holds a Bachelor of Arts degree and an Honours Ph.D. from the University of British Columbia. He also holds a Masters of Arts degree from San José State University.

(f) Beverley A. Briscoe – Director

Ms Briscoe has been President of Briscoe Management Limited since 2004. From 2003 to 2007, she was Chair of the Industry Training Authority for BC, from 1997 to 2004, she was President and owner of Hiway Refrigeration Limited, from 1994 to 1997, she was Vice President and General Manager of Wajax Industries Limited, from 1989 to 1994, she was Vice President, Finance of Rivtow Group of Companies and, from 1983 to 1989, she was Chief Financial Officer of various operating divisions of The Jim Pattison Group. Ms Briscoe is currently a director of Ritchie Bros. Auctioneers Inc. She is a Fellow Chartered Accountant. She holds a Bachelor of Commerce degree from the University of British Columbia.

(g) Peter J. Dey – Director

Mr Dey is a well known senior corporate executive and an experienced corporate director. He is Chairman of Paradigm Capital Inc., an independent investment dealer. He is also a director of Coventree Inc. He is a former Chairman of the Ontario Securities Commission and former Chairman of Morgan Stanley Canada, and he was a Senior Partner of Osler, Hoskin & Harcourt LLP. In 1994, he chaired the Toronto Stock Exchange Committee on Corporate Governance, and has since been involved with developing global corporate governance standards as Chairman of the Private Sector Advisory Group of the Global Corporate Governance Forum. He holds a Masters of Laws degree from Harvard University, a Bachelor of Laws degree from Dalhousie University and a Bachelor of Science degree from Queen's University.

(h) P. Randy Reifel – Director

Mr Reifel is President and a director of Chesapeake Gold Corp. that explores for precious metals in Mexico and Central America. Mr Reifel was appointed to the Board in November 2006. Prior thereto, he had been a director of Glamis since June 2002 following the acquisition of Francisco Gold Corp. In 1993, Mr Reifel founded and

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served as President and a director of Francisco Gold Corp. which discovered the El Sauzal gold deposit in Mexico and the Marlin gold deposit in Guatemala. Mr Reifel holds a Bachelor of Commerce degree and a Masters of Science degree in Business Administration from the University of British Columbia.

(i) A. Dan Rovig – Director

Mr Rovig was appointed to the Board in November 2006. Prior thereto, he had been a director and Chairman of the Board of Glamis since November 1998. Before his appointment as Chairman, Mr Rovig served first as President of Glamis from September 1998 until his appointment as a director and the President and Chief Executive Officer of Glamis and its subsidiaries from November 1989 to August 1997 when he retired. Prior to 1988, Mr Rovig was an executive officer of British Petroleum Ltd., including its subsidiaries Amselco Minerals Inc. and BP Minerals America for five years. He holds a Bachelor of Science in Mining Engineering, a Masters of Science in Mineral Dressing Engineering from Montana College of Mineral Science and Technology and a Doctor of Science (honoris causa) from Montana Tech of the University of Montana. He is also a registered member of the Society for Mining, Metallurgy and Exploration, and the Geological Society of Nevada.

(j) Kenneth F. Williamson – Director

Mr Williamson was appointed to the Board in November 2006. Prior thereto, he had been a director of Glamis since 1999. He was Vice-Chairman, Investment Banking at Midland Walwyn/Merrill Lynch Canada Inc. from 1993 to 1998. He has worked in the securities industry for more than 25 years, concentrating on financial services and the natural resource industries in the United States and Europe. Mr Williamson is a director of a number of companies in the natural resource sector. He holds a Bachelor of Applied Science (P.Eng.) degree from the University of Toronto and a Masters in Business Administration from the University of Western Ontario.

7.11 Key management of Goldcorp

As at the date of this Scheme Booklet, the senior management of Goldcorp is as follows:

(a) Charles A. Jeannes – President and Chief Executive Officer

See above under section 7.10(c) Directors of Goldcorp for Mr Jeannes' biography.

(b) Lindsay A. Hall – Executive Vice President and Chief Financial Officer

Mr Hall was appointed Executive Vice President and Chief Financial Officer for Goldcorp on 19 April 2006. Mr Hall is a Chartered Accountant with extensive experience in senior financial positions in the energy industry. He has held a series of progressively senior positions at various major business units of Duke Energy Corporation, culminating in the role of Vice President and Treasurer. Mr Hall also previously held the position of Vice President, Finance, for Westcoast Energy until it was acquired by Duke Energy Corporation. Mr Hall has a B.A. in Economics and a Bachelor of Commerce (Honours) from the University of Manitoba.

(c) Steve P. Reid – Executive Vice President and Chief Operating Officer

Mr Reid was appointed Chief Operating Officer of Goldcorp effective 1 January 2007 and prior to that, was Executive Vice President, Canada and USA effective concurrently with the completion of the acquisition of Placer Dome (CLA) (Limited). Mr Reid is a mining engineer with 30 years of extensive international experience in both the operating and business aspects of the mining industry. Prior to joining Goldcorp, he worked for Placer Dome as the Country Manager for the Canadian operations. He spent a total of 13 years working for Placer Dome, holding numerous corporate, mine management and operating roles worldwide. Mr Reid has also worked in leadership positions for Kingsgate Consolidated and Newcrest Mining Limited, where he was responsible for running operations throughout Asia and Australia.

(d) Timo Jauristo – Executive Vice President, Corporate Development

Mr Jauristo joined Goldcorp in June 2009 as Vice President, Corporate Development. On 8 July 2010, Mr Jauristo was appointed Executive Vice President, Corporate Development of Goldcorp. Mr Jauristo is a geologist with over 30 years of international experience in the mining industry in gold, base metals and uranium. He spent 15 years with Placer Dome in various operating and corporate roles in exploration in Australia and Asia and in business development. Mr Jauristo was involved in

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numerous merger and acquisition transactions in many of the major gold producing regions of the world. Between leaving Placer Dome in 2005 and joining Goldcorp in 2009, Mr Jauristo was the Chief Executive Officer of Zincore Metals Inc. from November 2006 to May 2009 and was the Chief Executive Officer of Southwestern Resources Corp. from September 2007 to May 2009, both junior mining companies with exploration and development assets mostly in Peru.

(e) David L. Deisley – Executive Vice President, Corporate Affairs and General Counsel

Mr Deisley joined Goldcorp in September 2007 as Vice President, General Counsel. On 8 July 2010, Mr Deisley was appointed Executive Vice President, Corporate Affairs and General Counsel of Goldcorp. Previously, he served as regional general counsel for Barrick's North America Region in Salt Lake City, Utah. Mr Deisley was also based in

Santiago, Chile for three years working with Barrick on its Pascua Lama and Veladero projects. Prior to joining Barrick, he was a shareholder at Parsons Behle & Latimer where he served as a member and chair of the firm's Natural Resources practice. He has presented a number of papers at Rocky Mountain Mineral Law Foundation annual and special institutes and MALRI seminars on various mining topics. He obtained his Juris Doctor from the University of Utah College of Law and his Bachelor of Arts from Brown University. Mr Deisley has over 20 years experience in the mining industry in North and South America.

7.12 Interests of Goldcorp and its directors

(a) Interests of Goldcorp Directors in Goldcorp securities

At the date of this Scheme Booklet, the Goldcorp Directors have the following interests in Goldcorp securities:

Director	Class of Security	Number and other details
Ian W. Telfer	Goldcorp Shares	72,750
	Goldcorp Warrants	Nil
	Goldcorp Options	733,333 exercisable until 29 June 2015 at a price of C\$19.23 per share 300,000 exercisable until 28 June 2016 at a price of C\$30.95 per share
Douglas M. Holtby	Goldcorp Shares	43,500
	Goldcorp Warrants	4,000
	Goldcorp Options	Nil
Charles A. Jeannes	Goldcorp Shares	277,574
	Goldcorp Warrants	Nil
	Goldcorp Restricted Share Units	83,333
	Goldcorp Performance Share Units	56,000
	Goldcorp Options	13,520 exercisable until 27 February 2011 at a price of C\$18.82 per share 202,800 exercisable until 1 August 2011 at a price of C\$25.74 per share 120,000 exercisable until 20 May 2013 at a price of C\$39.77 per share 120,000 exercisable until 23 May 2017 at a price of C\$25.71 per share 120,000 exercisable until 26 February 2014 at a price of C\$37.82 per share 30,000 exercisable until 11 May 2014 at a price of C\$35.62 per share 150,000 exercisable until 10 May 2015 at a price of C\$44.50 per share
John P. Bell	Goldcorp Shares	22,765
	Goldcorp Warrants	Nil
	Goldcorp Options	Nil

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Director	Class of Security	Number and other details
Lawrence I. Bell	Goldcorp Shares	31,000
	Goldcorp Warrants	Nil
	Goldcorp Options	Nil
Beverley A. Briscoe	Goldcorp Shares	18,007
	Goldcorp Warrants	Nil
	Goldcorp Options	Nil
Peter J. Dey	Goldcorp Shares	21,666
	Goldcorp Warrants	Nil
	Goldcorp Options	Nil
P. Randy Reifel	Goldcorp Shares	4,217,363
	Goldcorp Warrants	Nil
	Goldcorp Options	8,450 exercisable until 27 February 2011 at a price of C\$18.82 per share
A. Dan Rovig	Goldcorp Shares	69,770
	Goldcorp Warrants	Nil
	Goldcorp Options	16,900 exercisable until 27 February 2011 at a price of C\$18.82 per share
Kenneth F. Williamson	Goldcorp Shares	29,560
	Goldcorp Warrants	Nil
	Goldcorp Options	8,450 exercisable until 27 February 2011 at a price of C\$18.82 per share

(b) Interests of Goldcorp Directors in Andean securities

At the date of this Scheme Booklet, no Goldcorp Director has any relevant interests in any Andean securities.

(c) Interests of Goldcorp Directors in any material contracts entered into by Goldcorp

Other than as described below, since 1 January 2007, no director, executive officer or 10% shareholder of Goldcorp or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect Goldcorp or any of its subsidiaries.

Other than as set out in this Scheme Booklet, no director or proposed director of Goldcorp holds, or held at any time during the last two years, an interest in:

- (i) the formation or promotion of Goldcorp;
- (ii) property acquired or proposed to be acquired by Goldcorp in connection with:
 - (A) its formation or promotion; or
 - (B) the offer of New Goldcorp Shares; or
- (iii) the offer of New Goldcorp Shares.

In April 2007, Goldcorp completed the sale of the Amapari mine and the Peak mines to Peak Gold Ltd. As a result of the sale, Goldcorp became a holder of approximately 22% of the then outstanding common shares of Peak Gold Ltd. In connection with the transaction, Julio Carvalho, Goldcorp's former Executive Vice President, Central and South America, was appointed President and Chief Executive Officer of Peak Gold Ltd. and Ian Telfer, Goldcorp's Chairman of the Board, was appointed as a director of Peak Gold Ltd.

In July 2007, Goldcorp completed the sale to Silver Wheaton of 25% of the life of mine silver production from the Peñasquito Mine for a cash payment of US\$485 million. Eduardo Luna, former Executive Vice President of Goldcorp, was Chairman of the board of directors of Silver Wheaton (Mr Luna is now a director of Silver Wheaton) and each of Lawrence I. Bell and Douglas M. Holtby are directors of both Goldcorp and Silver Wheaton (Mr Holtby is now Chairman of the board of directors of Silver Wheaton).

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In February 2008, Goldcorp completed the sale of its 108 million common shares of Silver Wheaton for aggregate gross proceeds to Goldcorp of C\$1.566 billion. This represented the sale of all of Goldcorp's remaining interest in Silver Wheaton. Each of Lawrence I. Bell and Douglas M. Holtby are directors of both Goldcorp and Silver Wheaton (Mr Holtby is now Chairman of the board of directors of Silver Wheaton).

(d) Benefits provided to Goldcorp directors

No person has paid or agreed to pay any amount, or provided or agreed to provide any benefit, to a director or proposed director of Goldcorp:

- (i) to induce them to become or to qualify as a director of Goldcorp; or
- (ii) for services provided by that person in connection with the formation or promotion of Goldcorp or the issue of New Goldcorp Shares.

7.13 Relevant interests of Goldcorp in Andean

Goldcorp and Sentient, Andean's largest shareholder, holding approximately 20.5% of the Andean Shares on issue as at the date of the Scheme Booklet, have entered into a Call Option Agreement in respect of Andean Shares held by Sentient.

The Call Option Agreement gives Goldcorp the option to call for the transfer to it of 107,909,316 Andean Shares held by Sentient giving Goldcorp a relevant interest in approximately 19.7% of the Andean Shares (based on the number of Andean Shares on issue as at the date of this Scheme Booklet).

The exercise price under the Call Option Agreement is equal to the Share Consideration (subject to any adjustments to the capital of Andean before the option is exercised). The option is exercisable in the period starting on 31 March 2011 and ending on 30 April 2011.

The Call Option Agreement lapses if:

- it is not validly exercised by 30 April 2011;
- the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting;
- the Andean Directors change their recommendation that Shareholders vote in favour of the Scheme;
- the Merger Implementation Agreement is terminated;
- the Scheme is not approved by the Requisite Majority of Shareholders before 22 February 2011 (unless Goldcorp and Sentient agree that the Call Option Agreement will not lapse in this circumstance); or
- Goldcorp terminates the Call Option Agreement.

The Call Option Agreement is attached to Goldcorp's "Notice of initial substantial holder" which was served on Andean on 7 September 2010 and is available on asx.com.au.

Separately, Sentient has advised Andean that it intends to vote its Andean Shares in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude, that the Scheme is in the best interests of Shareholders.

7.14 Further information

On 13 January 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 the amount of at least US\$60 million. A tentative case management schedule established as part of the parties' agreement contemplates a two-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.

7. Information about Goldcorp

7.15 Consideration

(a) Sources of Cash Consideration

The maximum amount of cash consideration that Goldcorp would be required to pay for the Andean Shares is C\$1 billion. This cash consideration will be funded from Goldcorp's cash on hand, internally generated cash and/or drawn down from Goldcorp's existing US\$1.5 billion revolving credit facility with a group of thirteen international financial institutions. The amount available for draw-down under this facility as at 1 November 2010 is approximately US\$1.5 billion. The facility is expected to be available until the Implementation Date and will, together with Goldcorp's own cash holdings, have sufficient funds available to fund the maximum Cash Consideration of C\$1 billion. The terms of the facility do not have any material pre-conditions to the making available of the funds.

At 30 June 2010, Goldcorp had a cash and cash equivalents of US\$497 million available on its balance sheet in which it may use to satisfy obligations to pay the Cash Consideration under the Scheme.

If the court should rule in favour of Barrick, Goldcorp expects that Barrick would be required to, among other things, pay to Goldcorp the amount of US\$463 million for Goldcorp's interest in the El Morro Project (which is the amount originally paid by Goldcorp for such interest), together with reasonable improvement costs paid by Goldcorp.

(b) Share Consideration

Goldcorp has entered into the Deed Poll in favour of the Scheme Shareholders. Under the Deed Poll, Goldcorp covenants to provide New Goldcorp Shares to Scheme Shareholders in accordance with the terms of the Scheme.

If:

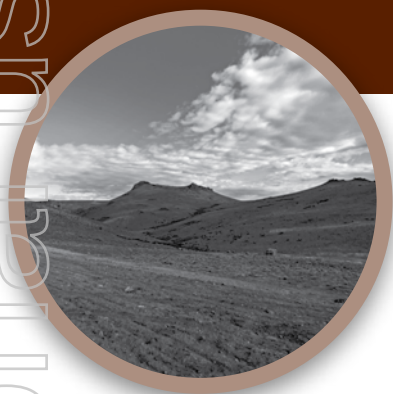
- all Shareholders elected to receive Share Consideration;
- none of the Options are exercised prior to the Record Date, (however, it should be noted that while the holders of the Options generally retain the right to exercise the Options, Goldcorp has entered into an Option Cancellation Agreement with Andean as set out in **section 11.16(c)**);
- Andean Shares are issued in respect of all unissued shares granted under the ESOP; and
- all Andean performance rights were vested and Andean Shares were issued prior to the Record Date,

Goldcorp would be required to issue an aggregate of 77,218,697 New Goldcorp Shares.

Note if all the Options are exercised Goldcorp would be required to issue an aggregate of 77,669,979 New Goldcorp Shares.

Goldcorp has the capacity to issue the maximum number of New Goldcorp Shares which it may be required to be issued under the Scheme.

8. Information about the Combined Group



8. Information about the Combined Group

The Goldcorp Information, including the information in this section of the Scheme Booklet, has been prepared and provided by Goldcorp and is the responsibility of Goldcorp. Neither Andean nor its officers, employees or advisers assume any responsibility for the accuracy or completeness of the Goldcorp Information in this section. The information in this section sets out the present intentions of Goldcorp if the Scheme is implemented in relation to:

- *the continuation of the business of Andean;*
- *any major changes to be made to the business of Andean, including any redeployment of the fixed assets of Andean; and*
- *the future employment of the present employees of Andean.*

These intentions are on the basis of the facts concerning Andean which are known to Goldcorp as at the date of this Scheme Booklet.

Final decisions regarding Goldcorp's intentions for Andean will only be made once Goldcorp has undertaken a detailed review of Andean and its operations to evaluate profitability and prospects. Therefore, the intentions of Goldcorp set out in this section may change as new information becomes available or circumstances change.

8.1 Overview of Combined Group business and operations

The acquisition of the Cerro Negro Project is expected to enhance Goldcorp's peer-leading growth profile and low cost gold production pipeline. The Cerro Negro Project will comprise a material mineral project of Goldcorp.

If the Scheme becomes Effective, the Combined Group will have an additional project in Argentina, a jurisdiction in which Goldcorp already has an interest in an existing operation.

As the Cerro Negro Project is not currently a producing asset, its acquisition by Goldcorp will not result in increased revenue for the Combined Group until production commences.

Goldcorp intends to operate the Combined Group business consistent with its past practice. The Combined Group will continue to follow Goldcorp's current strategy of providing shareholders with superior returns from high quality assets.

For a description of the material projects of the Combined Group see **sections 6.4 and 7.5** of this Scheme Booklet and the Goldcorp AIF incorporated by reference in this Scheme Booklet.

8.2 Goldcorp's reasons for the Merger

The Goldcorp Board believes that the Merger has significant benefits for Goldcorp and its shareholders.

An important part of Goldcorp's business strategy is to continue to seek new mining and development opportunities

in the mining industry by way of acquisition, in particular the acquisition of high-quality gold assets in stable jurisdictions.

Andean's key asset, the Cerro Negro Project, is a high quality asset located in a jurisdiction that Goldcorp is familiar with and has the potential to be of similar size and quality to other assets in Goldcorp's existing asset portfolio. Acquisition of this asset through the Merger is consistent with the business strategy of Goldcorp.

Goldcorp's strong financial position, technical expertise and track record in developing mines means that it is well placed to continue to advance the development of the Cerro Negro Project and will seek to do this on an accelerated basis.

8.3 Goldcorp's post-acquisition intentions in relation to Andean/the Combined Group

(a) Overview

Goldcorp's intentions have been formed on the basis of facts and information concerning Andean which are known to Goldcorp as at the date of this Scheme Booklet. Final decisions on these matters will only be made by Goldcorp in light of all material facts and circumstances at the relevant time. Accordingly, the statements set out in this **section 8.3** are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this **section 8.3** should be read in this context.

Following the Merger, Goldcorp will, to the extent that information is available to it, conduct a review of the operations, assets, structure and employees of Andean in light of that information.

(b) Continuation of business and operations

If the Scheme becomes Effective, Goldcorp intends to continue Andean's business in substantially the same manner it has been conducted as at the date of this Scheme Booklet. Goldcorp does not intend on making any major changes to Andean's business and will continue to accelerate the development of the Cerro Negro Project.

(c) Intentions as to employees

Subject to a full review post-acquisition, Goldcorp currently intends that the current operating management and employees of Andean located in Argentina will continue to serve in their current roles.

(d) Other corporate matters

If the Scheme becomes Effective, Andean will apply to ASX and TSX for suspension of trading in the Shares on ASX and TSX. The last day of trading on ASX is expected to be 9 December 2010 (Sydney time). The last

8. Information about the Combined Group

day of trading on TSX is expected to be 9 December 2010 (Toronto time). Following implementation of the Scheme, Andean will request ASX and TSX to remove Andean from its official list. Additionally, if the Scheme becomes Effective, Andean will be delisted from the TSX and is expected to apply to cease to be a reporting issuer.

Following implementation of the Merger, Goldcorp intends to transfer all of the Andean Shares to Goldcorp Sub in a scheme under section 413 of the Corporations Act, in which all of the assets and liabilities of Andean (except to the extent such liabilities are satisfied or discharged in the Scheme and the Merger Implementation Agreement) become the assets and liabilities of Goldcorp Sub, and Andean will cease to have a separate legal existence and will be deregistered.

8.4 Board composition after Merger

If the Scheme proceeds, the current members of the Goldcorp Board will continue to form the board of the Combined Group. Goldcorp intends that the existing Andean Directors will resign as directors of Andean and be replaced by Goldcorp nominees.

8.5 Integration costs and timing

The Cerro Negro Project is a discrete project and does not require integration with other projects owned by Goldcorp. There will be some integration of head office and administrative functions of Andean and Goldcorp but these are not expected to result in material costs or to take significant time.

8.6 Argentine Competition Law

Under the Argentine Defence of Competition Law (**Competition Law**), the National Commission for the Defence of Competition (**Competition Commission**) must be notified of certain transactions for approval. Based on informal consultations with Competition Commission staff, Goldcorp has been advised that the staff believe that the Scheme is subject to the notification and review process required by the Competition Law.

Under the Competition Law and its regulations, Goldcorp and Andean must file their notification with the Competition Commission within one week following the earlier of (i) the date of closing, or (ii) the publication of any cash tender or exchange offer. In the event of uncertainty regarding whether a filing is required, the parties may initiate a consultation with the Competition Commission. Where a consultation is initiated, the time for filing a notification is stayed pending the outcome of the consultation process. Goldcorp considers that the earliest possible trigger for the notification requirement is this Scheme Booklet being lodged with ASIC. Notwithstanding the views of the Competition Commission's staff, Goldcorp believes that there is a legal basis for concluding that the transaction

does not require a formal filing with the Competition Commission. Accordingly, Goldcorp and Andean have initiated a consultation.

The Competition Commission has 15 business days to review the consultation and to issue a non-binding opinion. The Argentinean Secretary of Internal Commerce will review the Competition Commission's opinion and then determine whether the Merger requires a formal filing for approval or it is exempted and no approval is required. The decision of the Secretary of Internal Commerce is binding.

In practice, Goldcorp understands that, on average, the consultation process takes approximately six months. If at the conclusion of the consultation process, the Secretary of Internal Commerce determines that a formal filing is required, Goldcorp and Andean intend to submit the filing with the Competition Commission as required.

The Competition Commission has 45 business days to review a formal filing and request for approval with respect to a transaction and issue an opinion to the Secretary of Internal Commerce. In practice, Goldcorp understands that the average time for an approval is between ten to twelve months, as the review period is often suspended due to requests by the Competition Commission for additional information. Goldcorp understands that, where a filing is submitted subsequent to a consultation, the review period may be shorter than average due to the fact that the Competition Commission is already familiar with the proposed transaction. Upon the conclusion of its review, the Competition Commission must issue its non-binding opinion. The Secretary of Internal Commerce will review the Competition Commission's opinion and then approve the transaction, approve the transaction with conditions, or disapprove the transaction. Transactions are only disapproved where they raise significant substantive competition law issues that cannot be resolved by way of conditions.

The markets for precious metals are global in scope. As the Combined Group's post-transaction share of global silver and gold production and resources will continue to be relatively small and there are numerous other producers of these metals (several of which have a greater share of global production and resources than the Combined Group), Goldcorp believes that the Scheme does not raise any substantive competition law concerns and, that if a formal filing is required, the Secretary of Internal Commerce will ultimately approve the Merger.

In the unlikely event that the Secretary of Internal Commerce disapproves the Merger, a possible consequence could be that Goldcorp would be required to divest the Cerro Negro Project. Should this occur, Goldcorp would be entitled to appeal the disapproval to a court of competent jurisdiction and believes that its appeal would be successful.

8. Information about the Combined Group

The Competition Law does not mandate approval of a transaction before it may close. Under the Competition Law, even where a transaction is subject to a notification requirement, the parties are free to complete the transaction prior to the conclusion of the Competition Commission's review. Accordingly, the review of the Scheme by the Competition Commission does not affect Goldcorp and Andean's ability to proceed with the Scheme.

8.7 Comparison of constitutions, corporate laws and shareholder rights

Details of the difference between applicable company laws in Ontario, Canada and Australia are set out in **Annexure E**.

8.8 Combined Group pro-forma financial information

This **section 8.8** contains the following pro-forma condensed financial information for the Combined Group consisting of an unaudited pro-forma condensed consolidated balance sheet and unaudited pro-forma condensed consolidated statements of earnings. The financial information needs to be read in conjunction with Notes 1 to 6 as set out below.

Note 1: Basis of presentation

The unaudited pro-forma condensed consolidated balance sheet of the Goldcorp Consolidated Group as at 30 June 2010 and the unaudited pro-forma condensed consolidated statements of earnings for the six months ended 30 June 2010 and year ended 31 December 2009 have been prepared by management of Goldcorp for illustrative purposes only. The unaudited pro-forma condensed consolidated balance sheet as at 30 June 2010 shows the effect of the Merger, whereby each Andean Share would be exchanged for 0.14 of a Goldcorp Share or C\$6.50 in cash, subject to a maximum cash consideration of C\$1 billion as described in note 3, as if the Merger had occurred on 30 June 2010. The unaudited pro-forma condensed consolidated statements of earnings show the effect of the Merger as if it had occurred on 1 January 2009.

The unaudited pro-forma condensed consolidated financial statements are condensed insofar as they do not include a complete set of financial statements and all the disclosures required by Canadian GAAP for annual financial statements prepared by reporting issuers in Canada or by Australian Accounting Standards for annual financial reports prepared in accordance with the Corporations Act in Australia.

These unaudited pro-forma condensed consolidated financial statements are not intended to reflect the results of operations or the financial position of the Combined Group which would have actually resulted had the Merger been effected on the dates indicated. Actual amounts that will be recorded upon closing of the Merger will likely differ from those recorded in these unaudited pro-forma condensed

consolidated financial statements. Any potential synergies that may be realised and integration costs that may be incurred upon closing of the Merger, and thereafter, have been excluded from the unaudited pro-forma condensed consolidated financial statements. Furthermore, these unaudited pro-forma condensed consolidated financial statements are not indicative of the results of operations that may be obtained in the future.

These unaudited pro-forma condensed consolidated financial statements should be read in conjunction with the historical audited consolidated financial statements and notes thereto of Andean as at and for the years ended 30 June 2010 and 2009, of Goldcorp as at and for the year ended 31 December 2009, and the unaudited consolidated interim financial statements of Andean for the six months ended 31 December 2009 and 2008 and of Goldcorp for the six months ended 30 June 2010. In preparing these unaudited pro-forma condensed consolidated financial statements, certain assets, liabilities, income and expenses of Andean were reclassified to conform to the consolidated financial statement presentation of Goldcorp, the Andean consolidated balance sheet as at 30 June 2010 was translated from Australian dollars into US dollars using the 30 June 2010 exchange rate of 1 US\$ = 1.17 A\$ and the Andean consolidated statements of earnings for the six months ended 30 June 2010 and year ended 31 December 2009 were translated using the average exchange rates for the periods of 1 US\$ = 1.12 A\$ and 1 US\$ = 1.26 A\$, respectively.

Andean's consolidated statement of earnings for the six months ended 30 June 2010 was derived by deducting Andean's unaudited consolidated statement of earnings for the six months ended 31 December 2009 from its audited consolidated statement of earnings for the year ended 30 June 2010.

Andean's consolidated statement of earnings for the year ended 31 December 2009 was derived as follows:

- Andean's audited consolidated statement of earnings for the year ended 30 June 2009; less
- Andean's unaudited consolidated statement of earnings for the six months ended 31 December 2008; plus
- Andean's unaudited consolidated statement of earnings for the six months ended 31 December 2009.

The pro-forma condensed consolidated balance sheet as at 30 June 2010 was translated from US dollars using the 30 June 2010 exchange rate of 1 A\$ = 0.85 US\$, and the pro-forma condensed consolidated statement of earnings for the six months ended 30 June 2010 and year ended 31 December 2009 were translated using the average exchange rates for the periods of 1 A\$ = 0.89 US\$ and 1 A\$ = 0.79 US\$ respectively.

8. Information about the Combined Group

Goldcorp

Pro-forma condensed consolidated balance sheet

(Unaudited)

As at 30 June 2010	Andean A-IFRS A\$ millions	Andean A-IFRS US\$ millions	Goldcorp C-GAAP US\$ millions	A-IFRS Adjustments US\$ millions (see Note 4)	Pro-forma Adjustments US\$ millions	Notes Ref	Pro-forma consolidated US\$ millions	Pro-forma consolidated A\$ millions
Assets								
Cash and cash equivalents	\$62.5	\$53.2	\$497.2		\$(356.0)	5(a), (b), (c), (d), (g), (h)	\$194.4	\$228.1
Marketable securities	–	–	23.2	–	–		23.2	27.2
Accounts receivable	–	–	280.9	–	–		280.9	329.6
Inventories and stockpiled ore	–	–	365.0	–	–		365.0	428.3
Current assets of a disposal group held for sale	–	–	10.4	–	–		10.4	12.2
Other	3.5	3.0	105.2	–	–		108.2	127.0
Current assets	66.0	56.2	1,281.9	–	(356.0)		982.1	1,152.4
Mining interests	88.8	75.6	19,832.1	(173.2)	4,605.9	5(f)	24,340.4	28,558.6
Deposits on mining interest expenditures	–	–	18.4	–	–		18.4	21.6
Goodwill	–	–	761.8	–	–		761.8	893.8
Stockpiled ore	–	–	88.2	–	–		88.2	103.5
Investments	–	–	504.1	–	–		504.1	591.5
Non-current assets of a disposal group held for sale	–	–	29.0	–	–		29.0	34.0
Other	9.1	7.8	18.2	–	–		26.0	30.5
	\$163.9	\$139.6	\$22,533.7	\$(173.2)	\$4,249.9		\$26,750.0	\$31,385.9
Liabilities								
Accounts payable and accrued liabilities	\$13.0	\$11.1	\$437.8	–	–		\$448.9	\$526.7
Income and mining taxes payable	–	–	98.6	–	–		98.6	115.7
Future income and mining taxes	–	–	54.3	–	–		54.3	63.7
Current liabilities of a disposal group held for sale	–	–	11.2	–	–		11.2	13.1
Current liabilities	13.0	11.1	601.9	–	–		613.0	719.2
Income and mining taxes payable	–	–	112.8	–	–		112.8	132.6
Long-term debt	–	–	732.6	(57.7)	400.0	5(h)	1,074.9	1,261.2
Future income and mining taxes	–	–	3,902.4	383.8	1,612.0	5(f)	5,898.2	6,920.3
Reclamation and closure cost obligations	0.3	0.2	281.6	–	–		281.8	330.6
Non-current liabilities of a disposal group held for sale	–	–	169.1	–	–		169.1	198.4
Non-current derivative liabilities	–	–		341.5	–		341.5	400.7
Other	–	–	24.8	–	–		24.8	29.1
	\$13.3	\$11.3	\$5,825.2	\$667.6	\$2,012.0		\$8,516.1	\$9,992.1

8. Information about the Combined Group

Goldcorp

Pro-forma condensed consolidated balance sheet (continued)

(Unaudited)

As at 30 June 2010	Andean A-IFRS A\$ millions	Andean A-IFRS US\$ millions	Goldcorp C-GAAP US\$ millions	A-IFRS Adjustments US\$ millions (see Note 4)	Pro-forma Adjustments US\$ millions	Notes Ref	Pro-forma consolidated US\$ millions	Pro-forma consolidated A\$ millions
Equity								
Goldcorp Shares, Goldcorp Warrants, Goldcorp Options, Goldcorp RSUs and equity portion of convertible debt	209.4	178.5	12,995.3	555.7	2,207.7	5(a),(b), (d),(e)	15,937.2	18,699.1
Retained earnings	(59.0)	(50.3)	3,070.8	(1,396.5)	30.3	5 (e),(g)	1,654.3	1,941.0
Accumulated other comprehensive income	0.2	0.1	323.4		(0.1)	5(e)	323.4	379.4
	(58.8)	(50.2)	3,394.2	(1,396.5)	30.2		1,977.7	2,320.4
Shareholders' equity	150.6	128.3	16,389.5	(840.8)	2,237.9		17,914.9	21,019.5
Non-controlling interests	–	–	319.0	–	–		319.0	374.3
	150.6	128.3	16,708.5	(840.8)	2,237.9		18,233.9	21,393.8
	\$163.9	\$139.6	\$22,533.7	\$(173.2)	\$4,249.9		\$26,750.0	\$31,385.9

8. Information about the Combined Group

Goldcorp

Pro-forma condensed consolidated statement of earnings

(Unaudited)

Six months ended 30 June 2010 (see schedule 1)	Andean A-IFRS A\$ millions	Andean A-IFRS US\$ millions	Goldcorp C-GAAP US\$ millions	A-IFRS Adjustments US\$ millions	Notes Ref	Pro-forma consolidated US\$ millions	Pro-forma consolidated A\$ millions
Revenues	\$ –	\$ –	\$1,594.6	–		\$1,594.6	\$1,784.7
Operating expenses	–	–	645.3	–		645.3	722.2
Depreciation and depletion	–	–	269.1	–		269.1	301.2
Earnings from mine operations	–	–	680.2	–		680.2	761.3
Corporate administration	9.1	8.2	82.8	–		91.0	101.8
Exploration	–	–	29.1	–		29.1	32.6
Earnings from operations	(9.1)	(8.2)	568.3	–		560.1	626.9
Other income (expenses)							
Interest income and other expenses, net	0.2	0.2	(17.8)	–		(17.6)	(19.7)
Interest expense and finance fees	–	–	(23.7)	(5.0)	4(c)	(28.7)	(32.1)
Gain on non-hedge derivatives, net	–	–	16.6	(38.2)	4(b), (c)	(21.6)	(24.2)
Loss on securities, net	–	–	(0.5)	–		(0.5)	(0.6)
Gain on dispositions of mining interests, net	–	–	407.3	–		407.3	455.8
Gain (loss) on foreign exchange, net	1.1	1.0	(20.2)	16.3	4(a)	(2.9)	(3.3)
	1.3	1.2	361.7	(26.9)		336.0	375.9
Earnings before taxes	(7.8)	(7.0)	930.0	(26.9)		896.1	1,002.8
Income and mining taxes	–	–	(156.0)	27.4	4(a)	(128.6)	(143.9)
Net earnings	(7.8)	(7.0)	\$774.0	0.5		767.5	858.9
Attributable to:							
Shareholders of Goldcorp	(7.8)	(7.0)	776.0	0.5		769.5	861.1
Non-controlling interests	–	–	(2.0)	–		(2.0)	(2.2)
Net earnings	\$(7.8)	\$(7.0)	\$774.0	\$ 0.5		\$767.5	\$858.9
Net earnings per Goldcorp Share (Note 6)							
Basic			\$1.06			\$ 0.97	\$1.09
Diluted			\$1.05			\$ 0.97	\$1.09
Weighted average number of Goldcorp Shares outstanding (000's) (Note 6)							
Basic			734,279			790,221	790,221
Diluted			737,317			793,259	793,259

8. Information about the Combined Group

Goldcorp

Pro-forma condensed consolidated statement of earnings

(Unaudited)

Year ended 31 December 2009	Andean A-IFRS A\$ millions (see schedule 2)	Andean A-IFRS US\$ millions	Goldcorp C-GAAP US\$ millions	A-IFRS Adjustments A\$ millions	Notes Ref	Pro-forma consolidated US\$ millions	Pro-forma consolidated A\$ millions
Revenues	\$ –	\$ –	\$2,723.6	\$ –		\$2,723.6	\$3,435.9
Operating expenses	–	–	1,187.3	–		1,187.3	1,497.8
Depreciation and depletion	–	–	526.2	–		526.2	663.8
Earnings from mine operations	–	–	1,010.1	–		1,010.1	1,274.3
Corporate administration	12.8	10.2	137.6	–		147.8	186.5
Exploration	–	–	32.5	–		32.5	41.0
Write-down of mining interest	–	–	24.0	–		24.0	30.3
Earnings from operations	\$(12.8)	\$(10.2)	\$816.0	\$ –		\$805.8	\$1,016.5
Other income (expenses)							
Interest income and other expenses, net	0.2	0.1	(19.1)	–		(19.0)	(24.0)
Interest expense and finance fees	–	–	(59.0)	–		(59.0)	(74.4)
Gain on non-hedge derivatives, net	–	–	3.6	4.6	4(b),(c)	8.2	10.3
Gain on securities, net	–	–	50.2	–		50.2	63.3
Gain on disposition of mining interest	–	–	20.1	–		20.1	25.4
Dilution loss, net	–	–	(0.3)	–		(0.3)	(0.4)
Gain/(loss) on foreign exchange, net	(7.4)	(5.8)	(366.6)	324.3	4(a)	(48.1)	(60.7)
	(7.2)	(5.7)	(371.1)	328.9		(47.9)	(60.5)
Earnings before taxes	(20.0)	(15.9)	444.9	328.9		757.9	956.0
Income and mining taxes	–	–	(206.7)	90.6	4(a)	(116.1)	(146.5)
Net earnings	\$(20.0)	\$(15.9)	\$238.2	\$419.5		\$641.8	\$809.5
Attributable to:							
Shareholders of Goldcorp	(20.0)	(15.9)	240.2	419.5		643.8	812.0
Non-controlling interests	–	–	(2.0)	–		(2.0)	(2.5)
Net earnings	\$(20.0)	\$(15.9)	\$238.2	\$419.5		\$641.8	\$809.5
Net earnings per Goldcorp Share (Note 6)							
Basic			\$0.33			\$0.82	\$1.03
Diluted			\$0.33			\$0.81	\$1.03
Weighted average number of Goldcorp Shares outstanding (000's) (Note 6)							
Basic			731,306			787,248	787,248
Diluted			734,564			790,506	790,506

8. Information about the Combined Group

Note 2: Significant accounting policies

The accounting policies used in the preparation of these unaudited pro-forma condensed consolidated financial statements are those set out in Goldcorp's audited consolidated financial statements for the year ended 31 December 2009 prepared under Canadian GAAP, adjusted for significant accounting policy changes that Goldcorp adopted on 1 January 2010 for purposes of Goldcorp's consolidated financial statements prepared under IFRS which will first be issued for the three months ending 31 March 2011 (note 4). In preparing these unaudited pro-forma condensed consolidated financial statements, a review was undertaken to identify differences between Goldcorp and Andean's accounting policies and no significant differences were noted.

Note 3: Merger

On 2 September 2010, Goldcorp entered into an agreement whereby Goldcorp will acquire, through a scheme of arrangement under Australian law, all of the Andean Shares. Under the Scheme, each Andean Share will be exchanged for (i) 0.14 of a Goldcorp Share or (ii) a cash payment in the amount of C\$6.50, (or a combination of both) subject to an aggregate maximum cash consideration of C\$1 billion.

The Merger is subject to the favourable vote of 75% of the Andean Shares present and voting in person or by proxy, corporate representative or attorney at the Scheme Meeting and the affirmative vote of more than 50% of the holders of Andean Shares present and voting at such meeting as required by Australian law.

The Merger will be accounted for as a business combination, with Goldcorp as the acquirer. The estimated total purchase

price for the Merger is US\$3.3 billion (A\$3.9 billion). The estimated value of Goldcorp Shares used to calculate the estimated total purchase price is based on the TSX price of Goldcorp Shares on 21 September 2010 of C\$45.24 per Goldcorp Share. The actual valuation date of the Goldcorp Shares for the purposes of calculating the actual total purchase consideration will be the date of the closing of the Merger (ie. the Implementation Date). In estimating the total purchase price, it has been assumed that the maximum cash consideration of C\$1 billion will be paid.

A preliminary allocation of the excess of the estimated total purchase price over the adjusted book values of Andean's identifiable assets and liabilities after reflecting the pro-forma adjustments identified to date as described in note 5 are presented below. The preliminary purchase price allocation is based upon Goldcorp's best estimates of the fair value of assets acquired and liabilities assumed. Goldcorp will continue to review information and perform further analysis, including an independent valuation, prior to finalising the allocation of the purchase price. The fair value amounts recorded once the valuation process is complete are likely to differ from those recorded and presented in the unaudited pro-forma condensed consolidated financial statements and the differences may be material. The estimated total purchase price and the preliminary allocation of the purchase price have been translated from Canadian dollars into US dollars and Australian dollars at the 30 June 2010 exchange rate of 1 US\$ = 1.06 \$C and 1 US\$ = 1.17 \$A. The actual total purchase price in US dollars will be calculated using the exchange rate prevailing at the Implementation Date.

Estimated total purchase price	US\$ millions	A\$ millions
Cash (C\$1 billion)	\$ 942.9	\$ 1,106.3
55,942,513 Goldcorp Shares issued	2,386.2	2,799.7
	\$ 3,329.1	\$ 3,906.0
Net assets acquired		
Cash and cash equivalents	260.1	305.2
Other current assets	3.0	3.5
Mining interests	4,681.5	5,492.9
Other non-current assets	7.8	9.1
Accounts payable and accrued liabilities	(11.1)	(13.0)
Reclamation and closure costs obligations	(0.2)	(0.3)
Future income tax liabilities	(1,612.0)	(1,891.4)
	\$ 3,329.1	\$ 3,906.0

8. Information about the Combined Group

Goldcorp's estimated total transaction cost for the Merger is US\$20.0 million (A\$23.5 million). This amount will be expensed as incurred.

Note 4: A-IFRS adjustments

Goldcorp currently prepares its consolidated financial statements using accounting policies in accordance with Canadian GAAP. In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises are required to adopt IFRS for fiscal years beginning on or after 1 January 2011, with earlier adoption permitted. Goldcorp will issue its first annual and interim consolidated financial statements prepared under IFRS for its fiscal year ending 31 December 2011 and three months ending 31 March 2011, respectively, with restatement of comparative information presented. In addition to the pro-forma assumptions and adjustments described in note 5, the unaudited pro-forma condensed consolidated balance sheet as at 30 June 2010 and the unaudited pro-forma condensed consolidated statements of earnings for the six months ended 30 June 2010 and year ended 31 December 2009 reflect the pro-forma adjustments for key differences between Goldcorp's current accounting policies under Canadian GAAP and those it expects to apply in preparing its first IFRS consolidated financial statements. The International Accounting Standards Board continues to amend and add to current IFRS standards with several projects underway. Goldcorp does not believe that there are any significant differences between IFRS and A-IFRS.

The key differences identified and reflected in these unaudited pro-forma condensed consolidated financial statements when prepared using IFRS standards effective as of the date of this Scheme Booklet are as follows:

- (a) Under IFRS, future income taxes are recognised 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 or liabilities denominated in a currency other than an entity's functional currency. Under Canadian GAAP, these temporary differences are not accounted for. The Combined Group's functional currency will be the US dollar. The Combined Group will own significant mining interests with costs denominated in non-US dollars. A weakening of foreign currencies, primarily the Mexican peso, has resulted in additional deferred income taxes recognised by the Combined Group for pro-forma purposes under IFRS of US\$379.5 million as at 30 June 2010. The strengthening of Mexican peso partially offset by the weakening of the Canadian dollar during the six months ended 30 June 2010 increased pro-forma net

earnings by US\$43.4 million for the six months ended 30 June 2010. The strengthening of the Canadian dollar and Mexican peso for the year ended 31 December 2009 increased pro-forma net earnings by US\$414.9 million for the year ended 31 December 2009. In addition, the foreign exchange loss on the future income taxes recognised in foreign exchange under Canadian GAAP has been reclassified to income and mining taxes which was US\$16.2 million and US\$324.3 million for the six months ended 30 June 2010 and the year ended 31 December 2009, respectively.

- (b) Under IFRS, share purchase warrants issued with exercise prices denominated in currencies other than an entity's functional currency are classified and presented as financial liabilities and measured at fair value at the end of each period with changes in fair values being included in net earnings. Under Canadian GAAP, all share purchase warrants issued are presented as equity. The effect of accounting for the Goldcorp Warrants with Canadian dollar exercise prices under IFRS on the unaudited pro-forma condensed consolidated balance sheet at 30 June 2010 was as follows: the removal of US\$50.0 million in Goldcorp Warrants from equity, an increase in non-current derivative liabilities of US\$65.1 million, an increase in Goldcorp Shares of US\$761.6 million, a decrease in mining interests of \$173.2 million and a decrease in retained earnings of US\$949.9 million. The effect of reflecting the mark-to-market gain on these Goldcorp Warrants on the unaudited pro-forma condensed consolidated statements of earnings for the six months ended 30 June 2010 and year ended 31 December 2009 was to increase pro-forma net earnings by US\$6.8 million and US\$21.7 million, respectively.
- (c) Goldcorp has the option to settle in cash upon conversion of the Goldcorp Notes which were issued on 5 June 2009. Under IFRS, Goldcorp's option to settle in cash upon conversion results in the conversion feature of the Goldcorp Notes being accounted for separately as an embedded derivative and measured at fair value on initial recognition. The carrying amount of the host debt instrument, on initial recognition, is calculated as the difference between the proceeds of the Goldcorp Notes as a whole and the fair value of the conversion feature of the Goldcorp Notes. The fair value of the conversion feature is measured using the Heston model. 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 included in the determination of the effective interest rate. Subsequent to initial recognition, the derivative component is re-measured

8. Information about the Combined Group

at fair value at each balance sheet date while the debt component is accreted to the face value of the Goldcorp Notes using the effective interest rate.

Under Canadian GAAP, the Goldcorp Notes are accounted for as compound financial instruments comprised of a liability and an equity component. The liability component, on initial recognition, represents the present value of Goldcorp's contractual obligation to make principal and interest payments. The difference between the proceeds of the Goldcorp Notes as a whole and the amount allocated to the liability component is recorded in equity, representing the value of the conversion feature.

Transaction costs allocated to the debt component are expensed on initial recognition, while costs allocated to the conversion feature are included in equity as issue costs. Subsequent to initial recognition, the debt component is accreted to the face value of the Goldcorp Notes using the effective interest rate, while the balance of the equity component remains unchanged.

The effect of accounting for the Goldcorp Notes under IFRS as a liability with an embedded derivative component measured at fair value at the end of each period on the unaudited pro-forma condensed consolidated balance sheet at 30 June 2010 was a decrease of US\$57.7 million in long-term debt, an increase of US\$276.4 million in non-current derivative liabilities, the removal of US\$155.9 million included in equity for the conversion feature, an increase in future income tax liabilities of US\$4.3 million and a decrease in retained earnings of US\$67.1 million. The effect of reflecting the above IFRS/Canadian GAAP differences in recognition and measurement of the Goldcorp Notes and its components thereof on the unaudited pro-forma condensed consolidated statements of earnings for the six months ended 30 June 2010 and the year ended 31 December 2009 was a decrease of US\$50.0 million and US\$17.1 million to pro-forma net earnings, respectively.

The pro-forma adjustments discussed above represent key differences identified between Goldcorp's current accounting policies under Canadian GAAP and those it expects to apply in preparing its first IFRS consolidated financial statements. They do not include all adjustments which Goldcorp will have to reflect in its consolidated financial statements prepared under IFRS, which will be first issued for the three months ending 31 March 2011. In addition, in determining the accounting policies it expects to apply in preparing its IFRS consolidated financial statements, Goldcorp has elected to apply certain exemptions from retroactive application of IFRS

which are permitted under IFRS 1 – First-time adoption of International Financial Reporting Standards. The key exemption Goldcorp has elected to apply is not to account for business combinations that occurred prior to 1 January 2010 using the principles of IFRS 3 – Business combinations, which are equivalent to the principles of accounting for business combinations as adopted by Goldcorp under Canadian GAAP effective 1 January 2010 on a prospective basis.

Note 5: Pro-forma assumptions and adjustments

Pro-forma assumptions and adjustments to condensed consolidated balance sheet

The unaudited pro-forma condensed consolidated balance sheet reflects the following pro-forma assumptions and adjustments as if the Merger occurred on 30 June 2010:

- (a) The issuance of 70,000,000 Andean Shares at C\$3.35 per Andean Share which was done on a "bought deal" basis in August 2010 for total fair value of US\$211.9 million (A\$248.9 million) with share issuance costs of US\$8.7 million (A\$10.2 million). This transaction was assumed to have occurred on 30 June 2010.
- (b) The issuance of 55,942,513 Goldcorp Shares as partial consideration for the Merger for an estimated total fair value of US\$2.4 billion (A\$2.8 billion).
- (c) The recording of Goldcorp's cash consideration for the Merger in the amount of US\$942.9 million (A\$1.1 billion) assuming the maximum cash consideration is paid.
- (d) The exercise of all Andean Options prior to the closing of the Merger.
- (e) The elimination of shareholders' equity accounts of Andean.
- (f) The recording of purchase price in connection with the Merger in the amount of US\$4.6 billion (A\$5.4 billion) allocated to mining interests and US\$1.6 billion (A\$1.9 billion) to future income tax liabilities to recognise the future tax consequences attributable to differences between the fair value of Andean mining interests (which are primarily located in Argentina) and their respective tax bases (note 3).
- (g) The recording of Goldcorp's estimated total transaction costs of US\$20.0 million (A\$23.5 million).
- (h) The recording of US\$400 million (A\$469 million) assumed to have been drawn on Goldcorp's revolving credit facility to fund a portion of the cash consideration of the Merger, net of cash acquired.

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Note 6: Pro-forma net earnings per share

The pro-forma basic and diluted net earnings per share were calculated based on the following:

	Six months ended 30 June 2010	Year ended 31 December 2009
Pro-forma basic and diluted net earnings attributable to shareholders of Goldcorp (\$US in millions)	\$769.5	\$643.8
(thousands of shares)		
Basic		
Weighted average number of Goldcorp Shares for the period	734,279	731,306
Adjustment to reflect Goldcorp Shares issued in connection with the Merger	55,942	55,942
Pro-forma weighted average number of Goldcorp Shares – basic	790,221	787,248
Diluted		
Pro-forma weighted average number of Goldcorp Shares – basic	790,221	787,248
Effect of dilutive securities:		
Goldcorp Options, Goldcorp RSUs and Goldcorp Warrants	3,038	3,258
Pro-forma weighted average number of Goldcorp Shares – diluted	793,259	790,506

Schedule 1 (unaudited)

Andean statement of earnings (unaudited) for the six months ended 30 June 2010

(Australian dollars in millions)

	Twelve months ended 30 June 2010 (audited)	Six months ended 31 December 2009 (unaudited)	Six months ended 30 June 2010 (unaudited)
Revenues	\$ –	\$ –	\$ –
Operating expenses	–	–	–
Depreciation and depletion	–	–	–
Earnings from mine operations	–	–	–
Corporate administration	14.4	5.3	9.1
Exploration	–	–	–
Loss from operations	(14.4)	(5.3)	(9.1)
Other income (expenses)			
Interest income and other expenses, net	0.3	0.1	0.2
Interest expense and finance fees	–	–	–
Gain on non-hedge derivatives, net	–	–	–
Loss on securities, net	–	–	–
Gain on dispositions of mining interests, net	–	–	–
Gain (loss) on foreign exchange, net	(4.2)	(5.3)	1.1
	(3.9)	(5.2)	1.3
Loss before taxes	–	–	–
Income and mining taxes	–	–	–
Net loss	\$(18.3)	\$(10.5)	\$(7.8)

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Schedule 2 (unaudited)

Andean statement of earnings (unaudited) for the year ended 31 December 2009

(Australian dollars in millions)

	Twelve months ended 30 June 2009 (audited)	Six months ended 31 December 2008 (unaudited)	Six months ended 30 June 2009 (unaudited)	Six months ended 31 December 2009 (unaudited)	Year ended 31 December 2009 (unaudited)
Revenues	\$ –	\$ –	\$ –	\$ –	\$ –
Operating expenses	–	–	–	–	–
Depreciation and depletion	–	–	–	–	–
Earnings from mine operations	–	–	–	–	–
Corporate administration	10.4	2.9	7.5	5.3	12.8
Exploration	–	–	–	–	–
Loss from operations	(10.4)	(2.9)	(7.5)	(5.3)	(12.8)
Other income (expenses)					
Interest income and other expenses, net	0.5	0.4	0.1	0.1	0.2
Interest expense and finance fees	–	–	–	–	–
Gain on non-hedge derivatives, net	–	–	–	–	–
Loss on securities, net	–	–	–	–	–
Gain on dispositions of mining interests, net	–	–	–	–	–
Gain (loss) on foreign exchange, net	2.7	4.8	(2.1)	(5.3)	(7.4)
	3.2	5.2	(2.0)	(5.2)	(7.2)
Loss before taxes	(7.2)	2.3	(9.5)	(10.5)	(20.0)
Income and mining taxes	–	–	–	–	–
Net loss	\$(7.2)	\$2.3	\$(9.5)	\$(10.5)	\$(20.0)

9. Taxation considerations



9. Taxation considerations

9.1 Australian taxation considerations

This section provides a general statement of the Australian income tax, goods and services tax and stamp duty consequences for Scheme Participants that hold their Andean Shares on capital account (ie they do not hold them in connection with a business or otherwise on revenue account) and dispose of them to Goldcorp pursuant to the Scheme.

The statement provided in this section is necessarily general in nature. It does not take into account the specific circumstances of any Scheme Participant. In particular, it does not take into account the circumstances of Scheme Participants that hold their Andean Shares on revenue account or acquired them in respect of any employment or the provision of any services. Nor does this section address the non-Australian tax consequences for Scheme Participants that are non-residents of Australia.

Scheme Participants are advised to obtain professional tax advice that takes into account their specific circumstances before deciding how to vote in relation to the Scheme.

(a) Income tax considerations for Australian resident Scheme Participants

Paragraphs (i) – (viii) of this **section 9.1** provide a general statement of the Australian income tax considerations for Australian resident Scheme Participants that dispose of their Andean Shares to Goldcorp pursuant to the Scheme.

(i) Capital gain or loss

For an Australian resident Scheme Participant, the disposal of Andean Shares pursuant to the Scheme will be a CGT event.

Subject to the CGT roll-over relief outlined in paragraph (v) below, such a Scheme Participant will make either:

- a capital gain to the extent the capital proceeds from the disposal of the Andean Shares are greater than the cost base of the Andean Shares; or
- a capital loss to the extent the capital proceeds from the disposal of the Andean Shares are less than the reduced cost base of the Andean Shares.

A Scheme Participant must include a net capital gain in assessable income for the income year in which the Implementation Date occurs (ie the income year ending 30 June 2011 for most Scheme Participants), subject to the CGT discount outlined in paragraph (iv) below.

A Scheme Participant may generally carry forward a net capital loss to offset capital gains made in a later income year.

(ii) Capital proceeds

For the purposes of working out the capital gain or loss on the disposal of Andean Shares, the capital proceeds will be:

- where Scheme Participant elects the Cash Consideration – the cash to be received;
- where the Scheme Participant elects the Share Consideration – the market value on the Implementation Date of the New Goldcorp Shares to be received; or
- where the Scheme Participant elects the Mixed Consideration – the total of the cash to be received and the market value on the Implementation Date of the New Goldcorp Shares to be received.

(iii) Cost base

The cost base of the Andean Shares for the purpose of working out a capital gain on disposal will generally include the money paid to acquire the Andean Shares plus any incidental costs of acquisition and disposal (e.g. brokerage and stamp duty). If the Andean Shares were acquired before 21 September 1999, the cost base may also include indexation to take account of inflation up to 30 September 1999. However, note that the cost base cannot include indexation where the CGT discount outlined in paragraph (iv) below applies.

The reduced cost base of the Andean Shares for the purpose of working out a capital loss on disposal will also generally include the money paid to acquire the Andean Shares plus any incidental costs of acquisition and disposal. The reduced cost base will not include indexation for inflation.

(iv) CGT discount

A Scheme Participant that is an individual, a complying superannuation entity or a trust may be entitled to the CGT discount on the disposal of Andean Shares that have been held for at least 12 months before the Implementation Date.

The CGT discount reduces the capital gain otherwise assessable by:

- 50% in the case of an individual or trust; or
- 33½% in the case of a complying superannuation entity.

Note that the CGT discount only reduces the net capital gain remaining after any capital losses have been applied.

9. Taxation considerations

(v) CGT roll-over relief

A Scheme Participant that elects the Share Consideration or the Mixed Consideration and would otherwise make a capital gain on the disposal of Andean Shares pursuant to the Scheme may choose scrip for scrip CGT roll-over relief. A Scheme Participant that chooses the Cash Consideration cannot choose CGT roll-over relief.

Note that a Scheme Participant that makes a capital loss on the disposal of Andean Shares cannot choose CGT roll-over relief (ie the Scheme Participant cannot defer making the capital loss).

(vi) Consequences of choosing CGT roll-over relief

If a Scheme Participant elects the Share Consideration and chooses CGT roll-over relief:

- the capital gain will be disregarded (ie taxation of the capital gain is effectively deferred until the New Goldcorp Shares are disposed of); and
- the cost base of the New Goldcorp Shares will include an amount equal to the cost base of the Andean Shares for which they were exchanged.

If a Scheme Participant elects the Mixed Consideration and chooses CGT roll-over relief:

- the cost base of the Andean Shares must be reasonably attributed to the cash and the New Goldcorp Shares;
- there will be a capital gain equal to the amount by which the cash is greater than the cost base of the Andean Shares reasonably attributed to the cash;
- the capital gain reasonably attributable to the New Goldcorp Shares will be disregarded (ie taxation of the capital gain is effectively deferred until the New Goldcorp Shares are disposed of); and
- the cost base of the New Goldcorp Shares will include an amount equal to the cost base of the Andean Shares reasonably attributed to them and for which they were exchanged.

The income tax consequences of disposing of the New Goldcorp Shares are outlined in paragraph (i) to (iii) below.

(vii) Choosing CGT roll-over relief

To choose CGT roll-over relief, a Scheme Participant must make a choice before lodging an income tax return for the income year in which the Implementation Date occurs (ie the income year ending 30 June 2011 for most Scheme Participants).

The way in which a Scheme Participant prepares the income tax return is evidence of the choice (ie by excluding the disregarded capital gain from assessable income). There is no need to lodge a notice with the Australian Taxation Office.

(viii) Whether to choose CGT roll-over relief

Whether or not a Scheme Participant should choose CGT roll-over relief depends on the specific circumstances of the Scheme Participant.

Circumstances relevant to the decision include the intentions of the Scheme Participant in relation to the New Goldcorp Shares received and the availability of tax losses to the Scheme Participant.

Scheme Participants are advised to obtain professional tax advice that takes into account their specific circumstances before deciding whether to choose CGT roll-over relief.

(b) Income tax considerations for Scheme Participants that are non-residents of Australia

This section provides a general statement of the Australian income tax consequences for Scheme Participants that are non-residents of Australia and dispose of their Andean Shares to Goldcorp pursuant to the Scheme.

The statement provided does not address the consequences for Scheme Participants that are non-residents of Australia and either:

- (A) hold their Andean Shares in connection with a business carried on through a permanent establishment in Australia or will hold their New Goldcorp Shares in that way; or
- (B) hold the Andean Shares in connection with a business carried on and are not in a country with which Australia has a double tax agreement which affords a business profits exemption (or similar).

Such Scheme Participants are advised to obtain professional tax advice that takes into account their specific circumstances.

9. Taxation considerations

Capital gain or loss

A non-resident of Australia may disregard a capital gain or loss made on the disposal of shares in a company unless:

- the non-resident of Australia holds 10% or more of all the shares in the company:
 - at the time of the disposal; or
 - throughout a 12 month period during the 24 month period ending at the time of the disposal; and
- more than 50% of the underlying value of the company is attributable to taxable Australian real property (ie real property situated in Australia and mining, quarrying or prospecting rights where the minerals, petroleum or quarry materials are situated in Australia).

On the basis that less than 50% of the underlying value of Andean is attributable to taxable Australian real property, a Scheme Participant that is a non-resident of Australia may disregard a capital gain or loss made on the disposal of Andean Shares to Goldcorp pursuant to the Scheme.

(c) Income tax consequences of holding New Goldcorp Shares

Paragraphs (i) to (iii) of this section provide a general statement of the Australian income tax consequences of holding New Goldcorp Shares.

(i) Dividends

Generally, an Australian resident must include in assessable income the gross amount of any dividend paid on New Goldcorp Shares. Such a dividend may also be subject to withholding tax in Canada. In that case, the Australian resident will be entitled to a foreign income tax offset equal to the lesser of the Australian tax on the dividend or the Canadian tax withheld.

(ii) Non-residents of Australia

A non-resident of Australia should not be subject to Australian tax on dividends paid on New Goldcorp Shares.

(iii) Disposal of New Goldcorp Shares

Australian residents

The disposal of New Goldcorp Shares will be a CGT event for an Australian resident.

Subject to any CGT roll-over relief, an Australian resident will make either:

- a capital gain to the extent the capital proceeds from the disposal of the New Goldcorp Shares are greater than the cost base of the New Goldcorp Shares; or

- a capital loss to the extent the capital proceeds from the disposal of the New Goldcorp Shares are less than the reduced cost base of the New Goldcorp Shares.

A net capital gain must be included in assessable income for the income year in which the disposal occurs, subject to the CGT discount. A net capital loss may generally be carried forward to offset capital gains made in a later income year.

The capital proceeds will be the total of the money and the market value of any other property received or receivable for the disposal of the New Goldcorp Shares.

The cost base of the New Goldcorp Shares will depend on whether the Scheme Participant chose CGT roll-over relief in respect of Andean Shares disposed of to Goldcorp pursuant to the Scheme.

If the Scheme Participant did not choose CGT roll-over relief in respect of the disposal of the Andean Shares pursuant to the Scheme, the cost base of the New Goldcorp Shares will include an amount equal to the market value of the Andean Shares on the Implementation Date for which they were exchanged.

If the Scheme Participant was able to choose CGT roll-over relief in respect of the disposal of the Andean Shares and did so, the cost base of the New Goldcorp Shares will include an amount equal to the cost base of the Andean Shares for which they were exchanged.

If the Scheme Participant was able to choose CGT roll-over relief and did so, the New Goldcorp Shares will also be taken to have been acquired when the Andean Shares were acquired. If the Scheme Participant was either unable to choose CGT roll-over relief or was able to choose CGT roll-over relief but did not do so, the New Goldcorp Shares will be taken to have been acquired on the Implementation Date. This is relevant to the CGT discount requirement that the New Goldcorp Shares be held for at least 12 months.

Non-residents of Australia

A non-resident of Australia may disregard a capital gain or loss made on the disposal of New Goldcorp Shares unless:

- the non-resident of Australia holds 10% or more of all the shares in Goldcorp:
 - at the time of the disposal; or
 - throughout a 12 month period during the 24 month period ending at the time of the disposal; and

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- more than 50% of the underlying value of Goldcorp at the time of the disposal is attributable to taxable Australian real property (ie real property situated in Australia and mining, quarrying or prospecting rights where the minerals, petroleum or quarry materials are situated in Australia).

(d) Goods and services tax considerations

A Scheme Participant should not be liable to pay GST as a consequence of the Scheme. However, a Scheme Participant that is registered, or required to be registered, for GST may be entitled to input tax credits in respect of any inputs to the supply of the Andean Shares to Goldcorp pursuant to the Scheme on the basis that the supply may constitute a GST-free supply. Scheme Participants are advised to obtain professional tax advice in relation to their entitlement to any input tax credits which takes into account their specific circumstances.

(e) Stamp duty considerations

A Scheme Participant should not be liable to pay stamp duty as a consequence of the Scheme.

9.2 Canadian taxation considerations

This section describes the principal Canadian federal income tax considerations generally applicable under the Canadian Tax Act to a Canadian Scheme Participant.

(a) General

Generally speaking, Andean Shares and New Goldcorp Shares will be considered to be capital property to a Canadian Scheme Participant provided the Canadian Scheme Participant does not hold the shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Canadian Scheme Participant: (i) that is a "financial institution", as defined in the Canadian Tax Act for purposes of the mark-to-market provisions of the Canadian Tax Act; (ii) an interest in which would be a "tax shelter investment" as defined in the Canadian Tax Act; (iii) that is a "specified financial institution" as defined in the Canadian Tax Act; (iv) in relation to which Andean is a "foreign affiliate" as defined in the Canadian Tax Act; or (v) that has made a functional currency reporting election under the Canadian Tax Act. In addition, this summary does not address all issues relevant to Canadian Scheme Participants who acquired their Andean Shares on the exercise of an employee stock option or the deductibility of interest by a Canadian

Scheme Participant who borrowed money to acquire Andean Shares. Such Canadian Scheme Participants should consult their own tax advisors.

This summary is based on the current provisions of the Canadian Tax Act, and the current published administrative practices and assessing policies of the Canada Revenue Agency (the **CRA**) publicly announced prior to the date hereof. This summary also takes into account all specific proposals to amend the Canadian Tax Act and announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Scheme Booklet (the **Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory, or judicial action or decision, or changes in the administrative practices of the CRA, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Canadian Scheme Participant and no representations with respect to the tax consequences to any particular Canadian Scheme Participant are made. Accordingly all Canadian Scheme Participants should consult their own tax advisors regarding the Canadian federal income tax consequences of the Scheme applicable to their particular circumstances.

For purposes of the Canadian Tax Act, all amounts related to the disposition of Andean Shares, (including adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in a foreign currency must be converted to an amount expressed in Canadian dollars based on the exchange rates as determined in accordance with the Canadian Tax Act.

(b) Exchange of Andean Shares for the Cash Consideration

A Canadian Scheme Participant whose Andean Shares are exchanged for Cash Consideration pursuant to the Scheme will be considered to have disposed of those Andean Shares for proceeds of disposition equal to the aggregate Cash Consideration so received. As a result, the Canadian Scheme Participant will generally realise a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or

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are less than) the adjusted cost base of the Canadian Scheme Participant's Andean Shares immediately before the exchange. See **section 9.2(g)** below for a general discussion of the treatment of capital gains and losses under the Canadian Tax Act.

(c) Exchange of Andean Shares for Share Consideration or the Mixed Consideration – No Section 85 Election

A Canadian Scheme Participant whose Andean Shares are exchanged for the Share Consideration or the Mixed Consideration pursuant to the Scheme, and who does not make a valid Section 85 Election jointly with Goldcorp with respect to the exchange, will be considered to have disposed of those Andean Shares for proceeds of disposition in the case of the Share Consideration, equal to the fair market value, at the time of the exchange, of the New Goldcorp Shares received on the exchange and in the case of the Mixed Consideration, equal to the aggregate of the Cash Consideration received on the exchange and the fair market value, at the time of the exchange, of the New Goldcorp Shares received on the exchange. As a result, the Canadian Scheme Participant will generally realise a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Canadian Scheme Participant's Andean Shares immediately before the exchange. See **section 9.2(g)** below for a general discussion of the treatment of capital gains and capital losses under the Canadian Tax Act.

The cost to the Canadian Scheme Participant of the New Goldcorp Shares acquired on the exchange will equal the fair market value of those shares as at the time of the exchange. If the Canadian Scheme Participant separately owns other Goldcorp Shares as capital property at that time, the adjusted cost base of all Goldcorp Shares owned by the Canadian Scheme Participant as capital property immediately after the exchange will be determined by averaging the cost of each New Goldcorp Share acquired on the exchange with the adjusted cost base of those other Goldcorp Shares.

(d) Exchange of Andean Shares for the Share Consideration or the Mixed Consideration – Section 85 Election

The following applies to a Canadian Scheme Participant who is an "Eligible Holder". An Eligible Holder who elects the Share Consideration or who receives the Mixed Consideration may obtain a full or partial tax deferral in respect of the disposition of Andean Shares by filing with the CRA (and, where applicable, with a provincial tax authority) an election (the **Section 85 Election**) under subsection 85(1) of the Canadian Tax Act or, in the case of

a partnership, under subsection 85(2) of the Canadian Tax Act (and the corresponding provisions of any applicable provincial tax legislation) provided all members of the partnership jointly elect with Goldcorp.

The Eligible Holder may select an elected amount (the Elected Amount) so as to fully or partially defer realising a capital gain for the purposes of the Canadian Tax Act as a result of the Scheme. The Elected Amount means the amount selected by the Eligible Holder, subject to the limitations described below, in the Section 85 Election, to be treated as the proceeds of disposition of the Andean Shares. In general, the Elected Amount may not be:

- (i) less than the amount of Cash Consideration received by the Eligible Holder on the exchange;
- (ii) less than the lesser of (i) the Eligible Holder's adjusted cost base of the Andean Shares and (ii) the fair market value of the Andean Shares, in each case determined at the time of the exchange; or
- (iii) greater than the fair market value of the Andean Shares at the time of the exchange.

An Elected Amount which does not comply with these limitations will automatically be adjusted under the Canadian Tax Act so that it is in compliance.

Goldcorp has agreed to make the Section 85 Election with an Eligible Holder at the amount determined by such Eligible Holder, subject to the limitations set out in subsections 85(1) and 85(2) of the Canadian Tax Act (or any applicable provincial tax legislation).

Where a valid Section 85 Election is filed:

- (i) Andean Shares that are the subject of the Section 85 Election will be deemed to be disposed of for proceeds of disposition equal to the Elected Amount. If the Elected Amount is equal to the aggregate of the adjusted cost base of such Andean Shares immediately before the disposition and any reasonable costs of disposition, no capital gain or capital loss will be realised by the Eligible Holder. Where the Elected Amount in respect of such Andean Shares exceeds (or is less than) the aggregate of the adjusted cost base and any reasonable costs of disposition, such holder will realise a capital gain (or a capital loss). See **section 9.2(g)** below.
- (ii) The aggregate cost to the Eligible Holder of the New Goldcorp Shares received will be equal to the amount, if any, by which the Elected Amount exceeds the aggregate amount of the Cash Consideration received from Goldcorp as a result of the disposition. The adjusted cost base of such New Goldcorp Shares received will be determined by averaging the cost of

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such New Goldcorp Shares with the adjusted cost base of any other Goldcorp Shares held by the Eligible Holder at that time as capital property.

An Eligible Holder interested in making a Section 85 Election should indicate that intention on the Election Form notifying Goldcorp that such Eligible Holder wishes to make a Section 85 Election (**Section 85 Notification**). Upon receipt of the Section 85 Notification, Goldcorp will promptly deliver a tax instruction letter (and a tax instruction letter for any applicable provincial tax legislation, if applicable), explaining the election process, together with the relevant tax election forms (including any applicable provincial tax election forms, if applicable) to the Eligible Holder. A Section 85 Election will be valid only if it meets all other applicable requirements under the Canadian Tax Act, and meeting these requirements will be the sole responsibility of the Eligible Holder. An Eligible Holder who chooses the Mixed Consideration will also receive Cash Consideration, which could, in certain circumstances, give rise to a capital gain.

The relevant federal tax election form is CRA form T2057 (or, in the event the Eligible Holder is a partnership, CRA form T2058). For Eligible Holders required to file in Québec, Québec form TP-518-V (or, in the event the Eligible Holder is a partnership, Québec form TP-529-V) will also be required. Certain other provincial jurisdictions may require that a separate joint election be filed for provincial income tax purposes. Eligible Holders should consult their own tax advisors to determine whether they must file separate election forms with any provincial taxing jurisdiction. It is the responsibility of each Eligible Holder who wishes to make an election for provincial income tax purposes to obtain any other necessary provincial election forms.

Where the Andean Shares are held in joint ownership and two or more of the co-owners wish to elect, one of the co-owners designated for such purpose must file one copy of Form T2057 (and where applicable, the corresponding provincial forms) on behalf of each co-owner with a list of all co-owners electing under Section 85 of the Canadian Tax Act, and their addresses and social insurance or business numbers. Where the Andean Shares are held as partnership property, a partner designated by the partnership must file one copy of Form T2058, (and, where applicable, the corresponding provincial forms), on behalf of all members of the partnership. Form T2058 must be accompanied by a list containing the name, address, social insurance number or business number of each partner and written authorisation signed by each partner authorising the designated partner to complete and file the form. Eligible

Holders should consult their own tax advisors to determine which filing requirements, if any, there are under provincial legislation applicable in their particular circumstances.

In order to make a Section 85 Election, an Eligible Holder must ensure that two signed copies of the necessary election forms are returned to a representative of Goldcorp in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date. The information will include the number of Andean Shares transferred, the consideration received and the applicable Elected Amount for the purposes of such election. Subject to the information complying with the provisions of the Canadian Tax Act (and any applicable provincial income tax law), a copy of the election form containing the information provided will be signed by Goldcorp and returned to the Eligible Holder for filing with the CRA (or the applicable provincial tax authority). **Each Eligible Holder is solely responsible for ensuring the Section 85 Election is completed correctly and filed with the CRA (and any applicable provincial income tax authorities) by the required deadline.**

Goldcorp will make a Section 85 Election only with an Eligible Holder, and at the amount selected by the Eligible Holder subject to the limitations set out in the Canadian Tax Act (and any applicable provincial tax legislation). Goldcorp agrees only to execute any election form containing information provided by the Eligible Holder which complies with the provisions of the Canadian Tax Act (and any applicable provincial tax law) and to return such election form to the Eligible Holder for filing with the CRA (and any applicable provincial tax authority). At its sole discretion, Goldcorp may accept and execute an election form that is not received within the 90 day period; however, no assurances can be given that Goldcorp will do so. Accordingly, all Eligible Holders who wish to make a joint election with Goldcorp should give their immediate attention to this matter. **With the exception of execution of the election form by Goldcorp, compliance with the requirements for a valid Section 85 Election will be the sole responsibility of the Eligible Holder making the election.** Accordingly, Goldcorp will not be responsible or liable for taxes, interest, penalties, damages or expenses resulting from the failure by anyone to provide information necessary for the election in accordance with the procedures set out in the tax instruction letter, to properly complete any election or to properly file it within the time prescribed and in the form prescribed under the Canadian Tax Act (or the corresponding provisions of any applicable provincial tax legislation).

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In order for the CRA (and where applicable the provincial revenue authorities) to accept a Section 85 Election without a late filing penalty being paid by an Eligible Holder, the election form must be received by such revenue authorities on or before the day that is the earliest of the days on or before which either Goldcorp or the Eligible Holder is required to file an income tax return for the taxation year in which the disposition occurs. Goldcorp's 2010 taxation year is scheduled to end on 31 December 2010, although Goldcorp's taxation year could end earlier as a result of an event such as an amalgamation, and its tax return is required to be filed within six months from the end of the taxation year. Eligible Holders are urged to consult their own advisors as soon as possible respecting the deadlines applicable to their own particular circumstances. However, regardless of such deadlines, information necessary for an Eligible Holder to make a Section 85 Election must be received by Goldcorp in accordance with the procedures set out in the tax instruction letter no later than 90 days after the Effective Date.

Any Eligible Holder who does not ensure that information necessary to make a Section 85 Election has been received in accordance with the procedures set out in the tax instruction letter on or before 90 days after the Effective Date will not be able to benefit from the tax deferral provisions of the Canadian Tax Act (or the corresponding provisions of any applicable provincial tax legislation) and therefore may realise a capital gain. Accordingly, all Eligible Holders who wish to enter into a Section 85 Election with Goldcorp should give their immediate attention to this matter. The instructions for requesting a tax instruction letter are set out in the Section 85 Notification. Eligible Holders are referred to Information Circular 76-19R3 and Interpretation Bulletin IT-291R3 issued by the CRA for further information respecting the election. Eligible Holders wishing to make the Section 85 Election should consult their own tax advisors.

(e) Dividends on New Goldcorp Shares

In the case of a Canadian Scheme Participant or Eligible Holder (referred to as a **New Goldcorp Shareholder**) who is an individual, dividends received or deemed to be received on the New Goldcorp Shares will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations including the enhanced dividend tax credit rules applicable to any dividends designated by Goldcorp as "eligible dividends", as defined in the Canadian Tax Act.

In the case of a New Goldcorp Shareholder that is a corporation, dividends received or deemed to be received on the New Goldcorp Shares will be included in computing the corporation's income and will generally be deductible in computing its taxable income. A "private corporation" (as defined in the Canadian Tax Act), or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a refundable tax of 33⅓% under Part IV of the Canadian Tax Act on dividends received or deemed to be received on the New Goldcorp Shares to the extent such dividends are deductible in computing the corporation's taxable income.

(f) Disposition of New Goldcorp Shares

The disposition or deemed disposition of New Goldcorp Shares by a New Goldcorp Shareholder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the holder of those shares immediately before the disposition. See **section 9.2(g)** below for a general description of the treatment of capital gains and losses under the Canadian Tax Act.

(g) Taxation of capital gains and capital losses

One-half of any capital gain (a "taxable capital gain") realised by a holder in a taxation year will be included in the holder's income for the year. One-half of any capital loss (an "allowable capital loss") realised by the holder in a year may be deducted against taxable capital gains realised in the year. Allowable capital losses in excess of taxable capital gains realised in a taxation year may be carried back up to three taxation years or carried forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Canadian Tax Act.

If the holder is a corporation, the amount of any capital loss arising from a disposition or deemed disposition of a share may be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share, to the extent and under circumstances specified by the Canadian Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

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Foreign tax, if any, levied on any capital gain realised on the disposition of Andean Shares may be eligible for a foreign tax credit or deduction to the extent and under the circumstances described in the Canadian Tax Act. **Holders to whom these rules may be relevant should consult their own tax advisors.**

(h) Alternative minimum tax on individuals

Capital gains realised by individuals and certain trusts may give rise to alternative minimum tax under the Canadian Tax Act.

(i) Additional refundable tax on Canadian-controlled private corporations

A holder that is a "Canadian-controlled private corporation" (as defined in the Canadian Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income, including amounts in respect of net taxable capital gains and dividends or deemed dividends not deductible in computing taxable income.

(j) Eligibility for Investment

New Goldcorp Shares will be qualified investments under the Canadian Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts at any particular time provided that, at that time, the New Goldcorp Shares are listed on a designated stock exchange (which currently includes the TSX). New Goldcorp Shares will not be a "prohibited investment" for a tax-free savings account where the holder of the tax-free savings account is not a "specified shareholder" of Goldcorp, within the meaning of the Canadian Tax Act and Goldcorp deals at arm's length with the holder and any person in which the holder has a "significant interest", within the meaning of the Canadian Tax Act.

(k) Canadian taxation considerations – Non-Canadian Scheme Participant

In addition to the comments set out in **section 9.2(a) "General"**, this section describes the principal Canadian federal income tax considerations generally applicable under the Canadian Tax Act and the regulations thereunder to a Non-Canadian Scheme Participant.

(i) Dividends on New Goldcorp Shares

Dividends paid or deemed to be paid to a Non-Canadian Scheme Participant on New Goldcorp Shares will be subject to non-resident withholding tax at the rate of 25% unless the rate is reduced under the

provisions of an applicable tax treaty. For example, where the Non-Canadian Scheme Participant is a resident of the United States entitled to benefits of the Canada-United States Tax Convention (1980) and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%. **Non-Canadian Scheme Participants should consult their own tax advisors.**

(ii) Disposition of New Goldcorp Shares

A Non-Canadian Scheme Participant will generally not be liable to Canadian income tax on a disposition or deemed disposition of New Goldcorp Shares unless the Non-Canadian Scheme Participant's New Goldcorp Shares are, or are deemed to be, taxable Canadian property to the Non-Canadian Scheme Participant at the time of disposition and the Non-Canadian Scheme Participant is not entitled to relief under an applicable tax treaty.

As long as the New Goldcorp Shares are listed on the TSX at the time of disposition, the New Goldcorp Shares generally will not constitute taxable Canadian property of a Non-Canadian Scheme Participant unless at any time during the 60 month period immediately preceding the disposition: (i) the Non-Canadian Scheme Participant, persons with whom the Non-Canadian Scheme Participant did not deal at arm's length, or the Non-Canadian Scheme Participant together with all such persons, owned 25% or more of the issued shares of any class or series of shares of Goldcorp; and (ii) more than 50% of the fair market value of the New Goldcorp Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Canadian Tax Act), timber resource properties (as defined in the Canadian Tax Act) or an option, an interest in, or for civil law rights in, such property.

A Non-Canadian Scheme Participant's capital gain (or capital loss) in respect of New Goldcorp Shares that constitute or are deemed to constitute taxable Canadian property (and where the Non-Canadian Scheme Participant is not entitled to relief under an applicable tax treaty) will generally be computed in the manner described above in **section 9.2(g) "Taxation of capital gains and capital losses"**.

Non-Canadian Scheme Participants whose New Goldcorp Shares are taxable Canadian property should consult their own tax advisors.

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9.3 Certain US taxation considerations

The following summary describes certain United States (US) federal income tax considerations generally applicable to “US Holders” (as defined below) of Andean Shares relating to the exchange of Andean Shares for the Cash Consideration, the Share Consideration or the Mixed Consideration, as applicable, pursuant to the Scheme, and the ownership and disposition of New Goldcorp Shares received pursuant to the Scheme. This summary addresses only US Holders who hold Andean Shares and New Goldcorp Shares as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (Code) (generally, assets held for investment purposes). This summary is for general information purposes only and does not purport to be a complete analysis of all potential US federal income tax considerations that may be relevant to particular US Holders in light of their particular circumstances, nor does it deal with persons subject to special treatment under the Code, such as brokers, dealers or traders in securities, banks and other financial institutions, mutual funds, holders subject to the alternative minimum tax, tax-exempt organisations, persons that have a functional currency other than the US dollar, qualified retirement plans, individual retirement accounts and other tax-deferred accounts, insurance companies, real estate investment trusts, regulated investment companies, persons holding Andean Shares or New Goldcorp Shares as part of a straddle, hedge or conversion transaction or as part of a synthetic security or other integrated transaction, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons deemed to sell Andean Shares under the constructive sale provisions of the Code, persons who own or have owned (or who are deemed to own or have owned for US federal income tax purposes), or who receive (or who are deemed to receive or have received for US federal income tax purposes) pursuant to the Scheme, 5% or more of the total voting power or the total value of the equity interests of Andean or Goldcorp, US expatriates, holders of Options, and persons that acquired Andean Shares or New Goldcorp Shares in a compensation transaction. In addition, this summary does not address persons that hold an interest in a partnership or other pass-through entity that holds Andean Shares or New Goldcorp Shares, or tax considerations arising under the laws of any state, local, or non-US jurisdiction or other US federal tax considerations (eg estate or gift tax) other than those pertaining to the income tax. **US Holders and persons listed above are urged to consult their own tax advisors as to the US federal income tax considerations applicable to them.**

The following is based upon the Code, Treasury regulations promulgated under the Code, judicial authorities, published positions of the US Internal Revenue Service (IRS) and other

applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect).

No rulings have been or will be sought from the IRS, and counsel to Andean has not rendered any legal opinion regarding any of the tax consequences discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to that expressed in any of the tax considerations set forth below.

As used in this Scheme Booklet, the term “US Holder” means a beneficial owner of Andean Shares or New Goldcorp Shares, as applicable, that is (i) a citizen or individual resident of the US, (ii) a corporation (or an entity classified as a corporation for US federal income tax purposes) created or organised in or under the laws of the US or any political subdivision thereof, (iii) an estate, the income of which is subject to US federal income taxation regardless of its source, or (iv) a trust if (a) a US court is able to exercise primary supervision over its administration and one or more US persons, within the meaning of Section 7701(a)(30) of the Code, have authority to control all of its substantial decisions or (b) it has properly elected under applicable Treasury regulations to be treated as a US person.

The tax treatment of a partner in a partnership (or other entity classified as a partnership for US federal income tax purposes) may depend on both the partnership's and the partner's status and the activities of the partnership. Partnerships that are beneficial owners of Andean Shares or New Goldcorp Shares, and partners in such partnerships, should consult their own tax advisors regarding the US federal, state, local and non-US tax considerations applicable to them relating to the exchange of Andean Shares for the Cash Consideration, the Share Consideration or the Mixed Consideration, as applicable, pursuant to the Scheme, and the ownership and disposition of New Goldcorp Shares received pursuant to the Scheme.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, US HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF US FEDERAL TAX ISSUES IN THIS SCHEME BOOKLET IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY US HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH HOLDERS UNDER THE CODE; (B) THIS DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS DISCUSSED IN THIS SCHEME BOOKLET; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

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(a) General considerations

(i) US federal income tax characterisation of the Scheme

The US federal income tax consequences of the Scheme to a US Holder depend on whether the transactions contemplated by the Scheme are characterised as a single, integrated transaction or as separate transaction for US federal income tax purposes. Andean believes, and for purposes of the following summary it is assumed, that the transactions contemplated by the Scheme will be characterised as a single, integrated transaction for US federal income tax purposes. Further, although not free from doubt, Andean believes that it is likely, and the following discussion assumes, that the transactions contemplated by the Scheme will qualify as a "reorganisation" within the meaning of Section 368 of the Code. However, there is no assurance that the IRS would agree with these characterisations, and no opinion of legal counsel or ruling from the IRS concerning the US federal income tax consequences of the transactions contemplated by the Scheme has been obtained, and none will be requested.

(ii) Tax consequences to US Holders if the Scheme qualifies as a Reorganisation

Assuming that the Scheme qualifies as a reorganisation within the meaning of Section 368 of the Code, then, subject to the assumptions, limitations and qualifications referred to in this Scheme Booklet, including the passive foreign investment company rules (discussed below), the Scheme should, in general, result in the following US federal income tax consequences to US Holders who receive the Share Consideration or the Mixed Consideration:

- (A) a US Holder who exchanges Andean Shares for the Share Consideration should not recognise any gain or loss;
- (B) a US Holder who exchanges Andean Shares for the Mixed Consideration should recognise gain (but not loss) to the extent of the lesser of (1) the excess of the fair market value of the Andean Shares and the fair market value, determined in US dollars, of the Cash Consideration on the date of receipt over the adjusted tax basis of the Andean Shares surrendered, or (2) the fair market value, determined in US dollars, of the Cash Consideration on the date of receipt;
- (C) the aggregate tax basis of New Goldcorp Shares received by a US Holder should be equal to the aggregate tax basis of Andean Shares surrendered in exchange therefor, increased by the amount of gain

recognised and decreased by the fair market value, determined in US dollars, of the Cash Consideration (if any) on the date of receipt; and

- (D) the holding period of New Goldcorp Shares received by a US Holder should include the holding period of the Andean Shares surrendered in exchange therefor.

(iii) Passive foreign investment company considerations

Even if the transactions contemplated by the Scheme qualify as a reorganisation within the meaning of section 368 of the Code, the particular US federal income tax consequences to a US Holder with respect to the Scheme depend in part on whether (i) Andean is treated as a "passive foreign investment company" (PFIC) during any year in which a US Holder owned Andean Shares and (ii) whether Goldcorp is treated as a PFIC with respect to the US Holder for the current taxable year. In general, a non-US corporation will be treated as a PFIC for any taxable year during which either (i) 75% or more of the non-US corporation's gross income is passive income, or (ii) 50% or more of the average value of the non-US corporation's assets produce or are held for the production of passive income.

Andean believes, and the following discussion assumes, that it was a PFIC in each of its taxable years since its formation, and that Goldcorp will not be treated as a PFIC for the current taxable year. However, there is no assurance that the IRS would agree with this treatment, and no opinion of legal counsel or ruling from the IRS concerning the status of either Andean or Goldcorp as a PFIC has been obtained, and none will be requested.

(b) Status of the proposed Treasury regulations regarding passive foreign investment companies

The discussion below is based in large part upon proposed Treasury regulations that, once finalised, are to be effective for transactions occurring on or after 11 April 1992. US Holders should be aware that if the proposed Treasury regulations are adopted in their current form, even after the Implementation Date, the US federal income tax consequences to a US Holder of Andean Shares should be as set forth in the following paragraphs. However, because the proposed Treasury regulations have not yet been adopted in final form, they are not currently effective and there is no assurance that they will be adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final Treasury regulations, taxpayers may apply reasonable interpretations of the Code provisions applicable to PFICs and that it considers the rules set forth in the proposed Treasury regulations to be reasonable interpretations of

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those Code provisions. The PFIC rules are complex and the implementation of certain aspects of the PFIC rules requires the issuance of Treasury regulations which in many instances have not been promulgated and which, when promulgated, may have retroactive effect. There can be no assurance that any of these proposals will be enacted or promulgated and, if so, the form they will take or the effect that they may have on this discussion. **Accordingly, and due to the complexity of the PFIC rules, US Holders should consult their own tax advisors as to the tax consequences of owning and disposing stock in a PFIC, including the availability of any elections that may mitigate the adverse US federal income tax consequences of owning stock of a PFIC.**

- (c) Exchange of Andean Shares for the Cash Consideration, the Share Consideration or the Mixed Consideration pursuant to the Scheme
- (i) Exchange of Andean Shares for the Cash Consideration, the Share Consideration or the Mixed Consideration pursuant to the Scheme by US Holders with respect to which Andean is not a pedigreed qualified electing fund (QEF) referred to in **section 9.3(c)(ii)**.

Under Section 1291(f) of the Code, transfers of stock in a PFIC in a non-recognition transaction, such as a "reorganisation" under Section 368(a) of the Code, result in gain recognition to the extent provided in regulations. Under proposed Treasury regulations (see "Status of the proposed Treasury regulations regarding passive foreign investment companies" in section 9.3(b) for a discussion of the effect of these regulations), if Andean has been a PFIC with respect to a US Holder in any taxable year, the transactions contemplated by the Scheme will nevertheless result in the recognition of any gain realised for US federal income tax purposes. Accordingly, US Holders who, pursuant to the Scheme, exchange Andean Shares that were held during any time that Andean was a PFIC for the Cash Consideration, the Share Consideration or the Mixed Consideration will recognise gain on the exchange to the extent that (i) the fair market value, determined in US dollars, of the Cash Consideration, the Share Consideration or the Mixed Consideration, as applicable, received by such US Holder exceeds (ii) the adjusted tax basis, determined in US dollars, of such US Holder in such Andean Shares exchanged for such Cash Consideration, Share Consideration or Mixed Consideration, respectively. A US Holder will not recognise capital loss, if any, upon the exchange of Andean Shares for the Share Consideration or

the Mixed Consideration. However, a US Holder that exchanges Andean Shares for the Cash Consideration will recognise capital loss, if any, to the extent that (i) the US Holder's adjusted tax basis, determined in US dollars, in its Andean Shares exchanged for the Cash Consideration exceeds (ii) the fair market value, determined in US dollars, of the Cash Consideration received in exchange for such Andean Shares. Such capital loss will be treated as US source capital loss for purposes of the foreign tax credit limitations under the Code and will be a long-term capital loss if at the time of the exchange such Andean Shares have been held by the US Holder for more than one year. The deductibility of capital losses is subject to limitations.

Under the proposed Treasury regulations, any gain recognised by a US Holder on the exchange of its Andean Shares will be taxed under the PFIC "excess distribution" regime. Under that regime, gain, if any, realised by a US Holder who disposes of Andean Shares pursuant to the Scheme will be allocated ratably to each day of the US Holder's holding period with respect to such shares. Gain allocated to the year of disposition will be treated as arising in the year of disposition and taxed at ordinary US federal income tax rates. Gain allocated to each of the other years will be taxed at the highest ordinary US federal income tax rate in effect for each of those years, and interest will be added to the tax determined for those years. The sum of the taxes and interest calculated for all other years will be in addition to the tax for the year in which the disposition of such Andean Shares occurs. A US Holder that is not a corporation must treat the interest as non-deductible personal interest.

A US Holder that recognises gain under the excess distribution regime will have a tax basis in the New Goldcorp Shares received pursuant to the Scheme equal to the fair market value, determined in US dollars, of such New Goldcorp Shares at the time of their receipt. The US Holder's holding period for the New Goldcorp Shares received pursuant to the Scheme will commence on the day after the date of receipt.

A US Holder's gain, if any, from the disposition of Andean Shares pursuant to the Scheme will be treated as US source income for purposes of the foreign tax credit limitations under the Code, and such characterisation may limit a US Holder's ability to claim a foreign tax credit for any foreign taxes withheld pursuant to the Scheme. Because the Code applies various complex limitations on the amount of foreign

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taxes that may be claimed as a credit by US taxpayers, US Holders should consult their own tax advisors with respect to the amount of foreign taxes that can be claimed as a credit.

A US Holder that realises a loss upon the exchange of Andean Shares for the Share Consideration or the Mixed Consideration pursuant to the Scheme (**Loss Shareholder**) will have a tax basis in the New Goldcorp Shares received pursuant to the Scheme equal to the adjusted tax basis of such US Holder in the Andean Shares exchanged, decreased by the fair market value, determined in US dollars, of any property (including cash) received other than New Goldcorp Shares. A Loss Shareholder's holding period for New Goldcorp Shares received pursuant to the Scheme will include the holding period of Andean Shares surrendered in exchange. However, pursuant to the proposed Treasury regulations, for purposes of the PFIC rules, a Loss Shareholder's holding period for New Goldcorp Shares received pursuant to the Scheme will commence on the day after the date of the exchange.

The tax consequences of the Scheme for a US Holder that has made a mark-to-market election under Section 1296 of the Code with respect to its Andean Shares are uncertain and may differ from those described above. Such US Holders are urged to consult their own tax advisors regarding the tax consequences of the exchange of Andean Shares for the Cash Consideration, the Share Consideration or the Mixed Consideration pursuant to the Scheme.

In the absence of the proposed Treasury regulations being finalised in their current form, the US federal income tax consequences to a US Holder are set out above in the discussion "Tax consequences to US Holders if the Scheme qualifies as a Reorganisation" in **section 9.3(a)(ii)**.

- (ii) Exchange of Andean Shares for the Cash Consideration, the Share Consideration or the Mixed Consideration pursuant to the Scheme by US Holders with respect to which Andean is a pedigreed QEF.

A PFIC is generally treated as a QEF with respect to a shareholder of such PFIC if (i) the PFIC provides certain information required by the IRS to the shareholder and (ii) such shareholder makes an election under Section 1295 of the Code (**QEF Election**). In general, if a shareholder (i) makes a QEF Election for the first year included in the shareholder's holding period of the PFIC stock, or (ii) makes (a) a QEF Election for a year after the

first year included in the shareholder's holding period of the PFIC stock, and (b) a purging election under Section 1291 of the Code, then the PFIC will be treated as a "pedigreed QEF" with respect to such shareholder. To the extent that Andean is treated as a pedigreed QEF with respect to a US Holder, the following US federal tax consequences will apply to such US Holder:

US Holders Receiving the Cash Consideration. A US Holder that exchanges Andean Shares for the Cash Consideration pursuant to the Scheme will recognise gain or loss, if any, equal to the difference between (i) the fair market value, determined in US dollars, of the Cash Consideration received by such US Holder, and (ii) the adjusted tax basis, determined in US dollars, of such US Holder in the Andean Shares exchanged for the Cash Consideration. Such gain or loss will generally be a capital gain or loss, and will generally be a long-term capital gain or loss to the extent that, at the time of the exchange, such Andean Shares have been held by the US Holder for more than one year. The deductibility of capital losses is subject to limitations.

US Holders Receiving the Share Consideration. A US Holder that exchanges Andean Shares for the Share Consideration pursuant to the Scheme will recognise neither gain nor loss. The aggregate tax basis of New Goldcorp Shares received pursuant to the Scheme will be the same as the aggregate tax basis of such Andean Shares, determined in US dollars, exchanged pursuant to the Scheme for New Goldcorp Shares. A US Holder's holding period for the New Goldcorp Shares received pursuant to the Scheme will include the holding period of Andean Shares exchanged pursuant to the Scheme for such New Goldcorp Shares.

US Holders Receiving the Mixed Consideration. A US Holder that exchanges Andean Shares for the Mixed Consideration pursuant to the Scheme will generally recognise gain, if any, equal to the lesser of (i) the fair market value, determined in US dollars, of any property (including cash) received other than New Goldcorp Shares, and (ii) the amount by which the sum of the fair market value, determined in US dollars, of (a) any property (including cash) received other than New Goldcorp Shares, and (b) New Goldcorp Shares received pursuant to the Scheme, exceeds the US Holder's adjusted tax basis in the Andean Shares, determined in US dollars, exchanged for the Mixed Consideration pursuant to the Scheme. This gain will generally be capital gain unless the US Holder's exchange of Andean Shares for the Mixed Consideration "has the effect

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of the distribution of a dividend.” A US Holder that exchanges Andean Shares for the Mixed Consideration pursuant to the Scheme will not recognise loss, if any.

In general, the determination as to whether the receipt of property (including cash) has the effect of a dividend depends upon whether and to what extent the transactions related to the Scheme will be deemed to reduce a US Holder’s percentage ownership of Goldcorp stock immediately following the Scheme. In making a determination as to whether or not the receipt of property (including cash) has the effect of a distribution of a dividend, certain constructive ownership rules must be taken into account. For purposes of this determination, a US Holder will be treated as if it first exchanged all of its Andean Shares solely for New Goldcorp Shares, and then a portion of the New Goldcorp Shares so received was immediately redeemed by Goldcorp for the property (including cash) that the US Holder actually received pursuant to the Scheme. The IRS has indicated that a reduction in the interest of a minority stockholder that owns a small number of shares in a publicly traded and widely held corporation and that exercises no control over corporate affairs would result in capital gain (as opposed to dividend) treatment.

Further, capital gains treatment should be available to any US Holder who receives the Mixed Consideration pursuant to the Scheme if the percentage of Goldcorp common stock actually and constructively owned by such US Holder immediately after the transactions contemplated by the Scheme is less than 80% of the percentage of Goldcorp common stock which such US Holder would have owned (actually and constructively) were such US Holder to have received solely New Goldcorp Shares pursuant to the Scheme. A US Holder is urged to consult its tax advisors about the possibility that all or a portion of any property (including cash) other than New Goldcorp Shares received in exchange for Andean Shares pursuant to the Scheme will be treated as a dividend. The capital gain recognised generally will be long-term capital gain to the extent that, at the time of the exchange, the US Holder has a holding period in Andean Shares exchanged pursuant to the Scheme of more than one year.

The aggregate tax basis of New Goldcorp Shares received pursuant to the Scheme by a US Holder electing to receive the Mixed Consideration will be the same as the aggregate tax basis of the Andean Shares exchanged therefore pursuant to the Scheme increased

by (i) the amount of any gain recognised (excluding any portion of such gain that is treated as a dividend), and (ii) any amounts treated as a dividend, and decreased by the fair market value of any property (including cash) received, each determined in US dollars. The holding period of New Goldcorp Shares received pursuant to the Scheme by a US Holder electing to receive the Mixed Consideration will include the holding period of the Andean Shares exchanged pursuant to the Scheme for such Mixed Consideration.

(d) Ownership and disposition of New Goldcorp Shares received pursuant to the Scheme

As discussed above, Andean does not believe that Goldcorp will be treated as a PFIC in its current taxable year. However, there is no assurance that the IRS would agree with this treatment, nor is there any assurance that Goldcorp will not be treated as a PFIC in future years. The following discussion of US federal income tax consequences assumes that Goldcorp will not be treated as a PFIC.

Distributions. Distributions made with respect to New Goldcorp Shares (including any Canadian taxes withheld from such distributions) generally will be included in the gross income of a US Holder as dividend income to the extent of the current and accumulated earnings and profits, as determined under US federal income tax principles, of Goldcorp. Because Goldcorp is expected to be eligible for the benefits of the “Convention Between the United States and Canada with Respect to Taxes on Income and on Capital” signed on 24 September 1980, as amended, dividends paid by Goldcorp to non-corporate US Holders generally are expected to be eligible for the reduced rate of US federal income tax available under current law with respect to certain dividends received in taxable years beginning before 1 January 2011. Under current law, dividends received by non-corporate US Holders from Goldcorp on or after 1 January 2011, will not be eligible for reduced rates of US federal income tax and will instead be taxed at the US federal income tax rates applicable to ordinary income. A corporate US Holder generally will not be entitled to a dividends received deduction that is otherwise generally available upon the receipt of dividends distributed by US corporations. If any dividends are paid in Canadian dollars, the amount includible in gross income will be the US dollar value of such dividend, calculated by reference to the exchange rate in effect on the date of actual or constructive receipt of the payment, regardless of whether the payment is actually converted into US dollars. If any Canadian dollars

9. Taxation considerations

actually or constructively received by a US Holder are later converted into US dollars, such US Holder may recognise gain or loss on the conversion, which will be treated as ordinary gain or loss. Such gain or loss generally will be treated as gain or loss from sources within the US for US foreign tax credit purposes. US Holders should consult their own tax advisors concerning the possibility of foreign currency gain or loss if any such currency is not converted into US dollars on the date of actual or constructive receipt. A US Holder may be entitled to deduct or claim a credit for Canadian withholding taxes, subject to applicable limitations in the Code. Dividends paid on New Goldcorp Shares generally will be treated as income from sources outside the US and generally will be “passive category income” for US foreign tax credit limitation purposes. The rules governing the foreign tax credit are complex and the availability of the credit is subject to limitations. US Holders should consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances. Distributions in excess of Goldcorp’s current and accumulated earnings and profits, if made with respect to New Goldcorp Shares, will be treated as a return of capital to the extent of the US Holder’s adjusted tax basis in such New Goldcorp Shares, and thereafter as capital gain. Goldcorp does not currently intend to calculate its earnings and profits under US federal income tax principles. Accordingly, US Holders should expect that all distributions made with respect to New Goldcorp Shares will be treated as dividends (as described above).

Dispositions. Upon the sale, exchange or other taxable disposition of New Goldcorp Shares, a US Holder generally will recognise capital gain or loss equal to the difference between (i) the amount of cash and the fair market value of any other property received upon the sale, exchange or other taxable disposition, determined in US dollars, and (ii) the US Holder’s adjusted tax basis in such New Goldcorp Shares, determined in US dollars. Such capital gain or loss will be long-term capital gain or loss if the US Holder’s holding period with respect to the New Goldcorp Shares disposed of is more than one year at the time of the sale, exchange or other taxable disposition. The deductibility of capital loss is subject to limitations. For US foreign tax credit purposes, such capital gain or loss generally will be treated as gain or loss from sources within the US.

(e) Information reporting and backup withholding tax

Unless the US Holder is a corporation or other exempt recipient, payments to certain US Holders of dividends made on New Goldcorp Shares, or the proceeds of the exchange of the Andean Shares may be subject to information reporting and US federal backup withholding tax at the rate of twenty-eight percent (28%) (subject to periodic adjustment) if the US Holder fails to supply a correct taxpayer identification number or otherwise fails to comply with applicable US information reporting or certification requirements. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit to a US Holder against the US Holder’s US federal income tax liability if the required information is timely furnished to the IRS. US Holders should consult their own tax advisors as to the application of the information reporting and backup withholding tax rules to them, including specific reporting rules applicable to US Holders owning or treated as owning 5% or more of the total voting power or the total value of the equity interests in Goldcorp.

(f) Recent legislative developments

For taxable years beginning after 18 March 2010, recently enacted US tax legislation requires certain US Holders who are individuals that hold certain “foreign financial assets” (which may include New Goldcorp Shares received by a US Holder pursuant to the Scheme), to report information relating to such assets, subject to certain exceptions. US Holders should consult their own tax advisors regarding the effect, if any, of this legislation on their ownership of New Goldcorp Shares.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO US HOLDERS RELATING TO THE EXCHANGE OF ANDEAN SHARES FOR THE CASH CONSIDERATION, THE SHARE CONSIDERATION OR THE MIXED CONSIDERATION PURSUANT TO THE SCHEME, AND THE OWNERSHIP AND DISPOSITION OF NEW GOLDCORP SHARES RECEIVED PURSUANT TO THE SCHEME. US HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

10. Risk factors



10. Risk factors

10.1 Introduction

If the Scheme becomes Effective, you will be entitled to receive the Scheme Consideration, which may be in the form of Goldcorp Shares.

The value of New Goldcorp Shares will be influenced by a range of factors, many of which will be beyond the control of the Combined Group. These risks include general risks associated with:

- financial matters;
- business and operations;
- specific projects;
- acquisitions;
- Goldcorp Shares; and
- the Combined Group.

Exploration and mining companies are generally exposed to many of these risks. The Andean businesses which will form part of the Combined Group face many of these risks already and they are therefore risks to which you already have some exposure. However, a number of risks will be new and could be potentially greater in impact than is currently the case in relation to Andean.

The operations of Goldcorp involve inherent risks due to the nature of its business which is the acquisition, financing, exploration, development and operation of mining properties.

These risks could materially affect Goldcorp's future operating results and could cause actual events to differ materially from those described in forward-looking statements in this Scheme Booklet relating to Goldcorp.

Some of the more significant risks which may affect the operations of the Combined Group are set out below. These risks do not take into account individual investment objectives, financial situation, position or particular needs.

10.2 Exploration, development and operations

Although Goldcorp's activities are primarily directed towards mining operations, its activities also include the exploration for and development of mineral deposits.

Mining operations generally involve a high degree of risk. Goldcorp's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, silver, copper, lead and zinc including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although appropriate precautions to mitigate these risks are taken, milling operations are subject

to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is difficult to ensure that the exploration or development programs planned by Goldcorp or any of its joint venture partners will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade, metallurgy and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may result in Goldcorp not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by Goldcorp towards the search for and evaluation of mineral deposits will result in discoveries of commercial quantities of ore.

10.3 Commodity prices

The price of the Goldcorp Shares, Goldcorp's financial results and exploration, development and mining activities may in the future be materially adversely affected by declines in the price of gold, silver, copper, lead and zinc. Gold, silver, copper, lead and zinc prices fluctuate widely and are affected by numerous factors beyond Goldcorp's control such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world. The price of gold, silver, copper, lead and zinc has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from Goldcorp's properties to be uneconomic. Depending on the price of gold, silver, copper, lead and zinc, cash flow from mining operations may not be sufficient and Goldcorp could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from Goldcorp's mining properties is dependent on gold, silver, copper, lead and zinc prices that are adequate to make these properties economic.

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Furthermore, reserve calculations and life-of-mine plans using significantly lower gold, silver, copper, lead and zinc prices could result in material write-downs of Goldcorp's investment in mining properties and increased amortisation, reclamation and closure charges.

In addition to adversely affecting Goldcorp's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

10.4 Need for additional Mineral Reserves and Mineral Resources

Goldcorp must continually explore to replace and expand its Mineral Reserves and Mineral Resources as its mines produce gold, silver, copper, lead and zinc. The life-of-mine estimates included in this Scheme Booklet for each of Goldcorp's operating mines are based on Goldcorp's best estimate given the information available to Goldcorp. These estimates may not be correct. Goldcorp's ability to maintain or increase its annual production of gold, silver, copper, lead and zinc depends in significant part on its ability to find new Mineral Reserves and Mineral Resources and bring new mines into production, and to expand Mineral Reserves and Mineral Resources at existing mines.

Goldcorp's operating mineral properties and key development projects have the following estimated mine lives:

Property	Estimated Mine Life
Red Lake Gold Mines	11 years
Porcupine Mine	6 years
Musselwhite Mine	8 years
Marigold Mine	7 years
Wharf Mine	3 years
El Sauzal Mine	3 years
Los Filos Mine	14 years
Nukay Mine	7 years
Alumbrera Mine	8 years
Marlin Mine	8 years
Peñasquito Mine	22 years
Pueblo Viejo Project	26 years
El Morro Project	14 years

The above mine lives (except in the case of the Red Lake Gold Mines) are based on Proven and Probable Mineral Reserves only and could be extended significantly by either:

- (a) the conversion of existing Mineral Resources to Mineral Reserves; or
- (b) the addition of new Mineral Reserves and new Mineral Resources which are subsequently converted to Mineral Reserves.

In the case of the Red Lake Gold Mines both the Mineral Resources and the Mineral Reserves have been utilised in calculating the respective life of mine because of:

- (a) the inability of these underground mines to drill out all mineralisation;
- (b) the decades-long history in these locations of converting Mineral Resources to Mineral Reserves; and
- (c) the absence of anything in the geological understanding of these ore bodies that suggests this will change.

There is no assurance that the estimates underlying the life of mine calculations are accurate and there is no assurance that the life of mine will be the same as estimated above.

10.5 Acquisition strategy

As part of Goldcorp's business strategy, it has sought and will continue to seek new mining and development opportunities in the mining industry. In pursuit of such opportunities, Goldcorp may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into Goldcorp. Goldcorp cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit Goldcorp's business.

10.6 Foreign operations

The majority of Goldcorp's foreign operations are currently conducted in Mexico, Guatemala, Argentina, the Dominican Republic, Chile and the United States, and as such Goldcorp'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

10. Risk factors

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 Goldcorp'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 Goldcorp's operations or profitability.

10.7 Economic and political instability in Guatemala

The Marlin Mine is located in Guatemala. There are risks relating to an uncertain or unpredictable political and economic environment in Guatemala.

Guatemala has a history of political unrest. Guatemala suffered an armed conflict for 36 years, which was finally resolved through a peace agreement reached with the country's internal revolutionary movement in 1996. Renewed political unrest or a political crisis in Guatemala could adversely affect Goldcorp's business and results of operations.

Guatemala suffers from social problems, such as a high crime rate and uncertain land tenure for many indigenous people, which could have adverse effects on the Marlin Mine. Such adverse effects could result from the efforts of third parties to manipulate local populations into encroaching on the Marlin Mine land, challenging the boundaries of such land, impeding Marlin Mine activities through roadblocks or other public manifestations or attacking Marlin Mine assets or personnel.

Since the election of a new president, municipal authorities and Congress in January 2008, conditions in Guatemala have become more complicated. Due to political activity, court rulings and a lack of progress on proposed revisions to the mining law, a de facto moratorium on the issuance of new mining concessions and permits has existed for more than one year. Failure to address these issues could adversely affect Goldcorp's operations and its exploration and development projects in Guatemala.

10.8 Human rights

Various international and national laws, codes, resolutions, conventions, guidelines and other materials relate to human rights (including rights with respect to the environment, health and safety surrounding Goldcorp's operations). Many of these materials impose obligations on government and companies to respect human rights. Some mandate that government consult with communities surrounding potential or operating Goldcorp projects regarding government actions which may affect local stakeholders, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to human rights continue to evolve and be defined. One or more groups of people may oppose Goldcorp's current and future operations, further development or new development of Goldcorp's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against Goldcorp's activities. Opposition by such groups to Goldcorp's operations may require modification of, or preclude the operation or development of, Goldcorp's projects or may require Goldcorp to enter into agreements with such groups or local governments with respect to Goldcorp's projects.

In May 2010, the Inter-American Commission on Human Rights (IACHR) issued precautionary measures directing the Guatemalan government to suspend operation of the Marlin Mine. The Guatemalan government subsequently announced that it has agreed to comply with such request by initiating the applicable administrative process under the laws of Guatemala. In August 2010, the Ministry of Energy and Mines initiated the administrative process by requesting a response from Montana Exploradora de Guatemala S.A. de C.V. (Montana), a Goldcorp Subsidiary, to the issues identified in the IACHR precautionary measures. Montana responded to the request for information with a comprehensive refutation of those issues. Although the Guatemalan government has confirmed that studies demonstrate that there is no evidence that the community water supplies are contaminated and that they are fit for human consumption and that no disease linked to suspected contamination produced by the Marlin Mine has been detected, there is no assurance that the government will not require Goldcorp to suspend operation of the Marlin Mine or impose additional requirements on Goldcorp to protect human rights in the community in which the Marlin Mine operates. The effect of the suspension of operations at the Marlin Mine or the imposition of additional requirements on Goldcorp cannot be accurately predicted and could have an adverse effect on Goldcorp's operations or profitability.

10. Risk factors

10.9 Litigation

In addition to the litigation brought by Barrick described in **section 7.14** of this Scheme Booklet, Goldcorp is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. Goldcorp cannot reasonably predict the likelihood or outcome of these actions. Goldcorp does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason therein, will have a material effect on the financial condition or future results of operations of Goldcorp. However, if Goldcorp is unable to resolve these disputes favourably, it may have a material adverse impact on Goldcorp's financial performance, cash flow and results of operations.

See "Further Information" in **section 7.14** of this Scheme Booklet.

10.10 Competition

The mining industry is competitive in all of its phases. Goldcorp faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than Goldcorp. As a result of this competition, Goldcorp may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, Goldcorp's revenues, operations and financial condition could be materially adversely affected.

10.11 Current global financial condition

Current global financial conditions have been subject to increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. Access to financing has been negatively impacted by both sub-prime mortgages in the United States and elsewhere and the liquidity crisis affecting the asset-backed commercial paper market. As such, Goldcorp is subject to counterparty risk and liquidity risk. Goldcorp is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold Goldcorp's cash; (ii) through companies that have payables to Goldcorp, including concentrate customers; (iii) through Goldcorp's insurance providers; (iv) through Goldcorp's lenders; and (v) through companies that have received deposits from Goldcorp for the future delivery of equipment. Goldcorp is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability

of Goldcorp to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to Goldcorp. If these increased levels of volatility and market turmoil continue, Goldcorp's planned growth could be adversely impacted and the trading price of Goldcorp's securities could be adversely affected.

10.12 Exchange rate fluctuations

Exchange rate fluctuations may affect the costs that Goldcorp incurs in its operations. Gold, silver, copper, lead and zinc are sold in US dollars and Goldcorp's costs are incurred principally in US dollars, Canadian dollars, Mexican pesos, Argentine pesos, Guatemalan quetzal, Chilean pesos and Dominican Republic pesos. The appreciation of non-US dollar currencies against the US dollar can increase the cost of gold, silver, copper, lead and zinc production and capital expenditures in US dollar terms. Goldcorp has a risk management policy that includes hedging to reduce the risk associated with currency fluctuations. Goldcorp has entered into Canadian dollar and Mexican peso forward purchase contracts to purchase the respective foreign currencies at pre-determined US dollar amounts. These contracts were entered into to normalise operating expenses incurred by Goldcorp's foreign operations expressed in US dollar terms. In accordance with its risk management policy, Goldcorp has hedged up to 50% of its annual Canadian dollar and Mexican peso operating expenditures two years forward.

10.13 Commodity hedging

Currently Goldcorp's policy is to not hedge future gold sales. Goldcorp currently hedges lead, zinc and copper to manage exposure to fluctuations in those metals.

There is no assurance that a commodity-hedging program designed to reduce the risk associated with fluctuations in metal prices will be successful. Although hedging may protect Goldcorp from a decline in the price of the metal being hedged, it may also prevent Goldcorp from benefiting fully from price increases.

10.14 Indigenous peoples

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. Goldcorp operates in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials

10. Risk factors

pertaining to indigenous people continue to evolve and be defined. Goldcorp's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of Goldcorp's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against Goldcorp's activities. Opposition by indigenous people to Goldcorp's operations may require modification of or preclude operation or development of Goldcorp's projects or may require Goldcorp to enter into agreements with indigenous people with respect to Goldcorp's projects.

10.15 Permitting

Goldcorp's operations in Argentina, Canada, the Dominican Republic, Guatemala, Chile, Mexico and the United States are subject to receiving and maintaining permits from appropriate governmental authorities. Although Goldcorp's mining operations currently have all required permits for their operations as currently conducted, there is no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, Goldcorp must receive permits from appropriate governmental authorities. There can be no assurance that Goldcorp will continue to hold all permits necessary to develop or continue operating at any particular property.

10.16 Government regulation

The mining, processing, development and mineral exploration activities of Goldcorp 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. Although Goldcorp's mining and processing operations and exploration and development activities are currently carried out in accordance with all applicable rules and regulations, 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 limit or curtail production or development. Amendments to current laws and regulations governing operations and activities of mining and milling or more stringent implementation thereof could have a material adverse impact on Goldcorp.

10.17 Environmental risks and hazards

Goldcorp'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 Goldcorp's results of operations. Environmental hazards may exist on the properties on which Goldcorp holds interests which are unknown to Goldcorp at present and which have been caused by previous or existing owners or operators of the properties.

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

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on Goldcorp and its results of operations and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Production at certain of Goldcorp's mines involves the use of sodium cyanide which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system then Goldcorp may become subject to liability for clean up work that may not be insured. While appropriate steps are taken to prevent discharges of pollutants into the ground water and the environment, Goldcorp may become subject to liability for hazards that it may not be insured against.

10. Risk factors

10.18 Environmental risks at Red Lake Gold Mines

Three main issues are being addressed by Red Lake Gold Mines, which primarily relate to historical operations. These are groundwater issues, the Balmer Lake watershed and underground arsenic trioxide storage.

A seepage plume from the tailings storage facility at the Campbell Complex was identified in the mid 1990s. Goldcorp conducts ongoing monitoring of the groundwater down gradient of the tailings facility and reports the results to the Ontario Ministry of the Environment (MOE) as part of a leachate contingency program which was established in 2005. No additional remediation has been required by the MOE at this time and additional assessments were completed as outlined in the contingency program, including further refinement of groundwater models, site investigations and the proactive design of a potential pump back system. Routine groundwater monitoring programs are also being completed at the Red Lake and Cochenour facilities.

The Balmer Lake watershed was used historically as a tertiary polishing pond and has been receiving water from the Red Lake Complex since the 1940s. In September 1999, the MOE issued a Control Order to the Red Lake and Campbell Complexes to conduct technical investigations to obtain an improved understanding of the recent elevated arsenic concentrations in Balmer Lake. These studies have been ongoing to understand the current ecosystem in the lake and to develop a long-term management plan for the watershed. Over the past several years, Red Lake Gold Mines has been successful at maintaining arsenic concentrations below the applicable discharge criteria. Several site specific water quality criteria for arsenic are being developed for the watershed, which will establish the long-term water management criteria for final closure of the facilities. Completion of the site specific criteria using the resident species approach are pending government agency interaction.

Arsenic trioxide stored underground at the Campbell Complex poses a potential long-term storage risk as the material could leach into groundwater when dewatering of the mine is no longer required at closure. The current mine life at the Red Lake and Campbell Complexes is 11 years. Red Lake Gold Mines has established financial assurance to fund up to 100 years of pumping following mine closure to maintain water levels below the level of the arsenic trioxide storage facilities. A pilot scale arsenic trioxide recovery project was completed and successful at removing the arsenic material from the underground workings and processing in the mill circuit. If the remaining arsenic trioxide is removed from the underground workings prior to mine closure, the long-term liability associated with closure will be removed. This project remains

on care and maintenance due to on-site exploration activities which may have provided an alternate removal method in the future.

Although the above-noted liabilities are included in the site closure plans and associated financial assurance, Goldcorp may be required to meet additional compliance or remediation measures as legislation continues to change, which may have an adverse impact on the financial costs of the Red Lake Gold Mines' operations.

10.19 Environmental risks at the Equity Silver Mine

The Equity Silver mine (**Equity Silver Mine**) is a former open pit and underground mine located south-east of Houston in north central British Columbia. The Equity Silver Mine operated from 1980 to 1994 and then closed due to depletion of the economic ore.

In 1981, shortly after the mine opened, acid rock drainage (ARD) was found to be occurring from the oxidation of sulphide minerals contained in the mined rock. The ARD from the mine site is collected and processed in one of two lime treatment plants to neutralise the acid and remove metals prior to discharging the treated water back to the environment. The majority of the reclamation work completed at the site has been directed towards minimising the production of ARD and protecting the surrounding environment. At closure, the mine rock storage areas were re-sloped and covered with a compacted clay cap to reduce water and oxygen infiltration. The clay cover reduced the volume of ARD produced from the mine rock storage areas, but there is still a significant volume of ARD produced annually that requires collection and treatment.

The flooded tailings impoundment reduces the risk of the sulphide tailings from producing ARD, but the water retaining dams remain a liability in the future.

Future environmental liabilities at the site are uncertain as regulatory requirements may change, and the complex nature of the waste rock dumps and cover are not fully understood. Goldcorp expects to be collecting and treating ARD at the Equity Silver Mine site indefinitely.

10.20 Environmental risks at the Marigold Mine and the Dee/South Arturo Project

The old milling operations at Goldcorp's Marigold Mine and Dee/South Arturo Project have tailing impoundments that have known leakage as detected by monitoring wells.

Leakage of tailings seepage solutions could cause environmental damage.

10. Risk factors

10.21 Tailings release at Marlin Mine

On 24 December 2009, one of the welded joints in the high density polyethylene pipeline that carries neutralised tailings to the tailings storage facility (TSF) at the Marlin Mine ruptured. At the time of the rupture, the pipeline was temporarily situated outside of the containment berm due to work being done at the water treatment plant. Approximately 83 cubic metres of neutralised tailings flowed from the ruptured joint; 25% of this material flowed into the TSF and 75% flowed out of the containment area into an ephemeral drainage that was dry at the time. The site emergency response plan was immediately implemented with an emphasis on containing the material that had flowed out of containment. The response action succeeded in containing all of the material that flowed out of the containment system on a sediment deposit. Within five days of the rupture the material had been excavated and placed into the TSF and the affected area remediated. During this period, water samples were collected in the nearest drainage with flowing water. All of these water samples have confirmed that there was no impact on any water source in the area. The water sampling was conducted by Goldcorp with participation by Government representatives and members of the Asociación Monitoreo Ambiental Comunitario.

There is no assurance that an event similar to this will not occur again, and if it does occur, may have a material adverse affect on the Marlin Mine.

10.22 Uncertainty in the estimation of Ore/Mineral Reserves and Mineral Resources

The figures for Ore/Mineral Reserves and Mineral Resources contained in the Scheme Booklet are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that Ore/Mineral Reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating Ore/Mineral Reserves and Mineral Resources, including many factors beyond Goldcorp's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Ore/Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. In addition, there can be no assurance that gold, silver, copper, lead or zinc recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in gold, silver, copper, zinc or lead prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as currently anticipated. Any material reductions in estimates of Ore/Mineral Reserves and Mineral Resources, or of Goldcorp's ability to extract these Ore/Mineral Reserves, could have a material adverse effect on Goldcorp's results of operations and financial condition.

10.23 Uncertainty relating to Inferred Mineral Resources

Inferred Mineral Resources that are not Proven or Probable Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to Proven and Probable Mineral Reserves as a result of continued exploration.

10.24 Indebtedness

As of 30 June 2010, Goldcorp had aggregate consolidated indebtedness of approximately US\$733 million. As a result of this indebtedness, Goldcorp is required to use a portion of its cash flow to service principal and interest on its debt, which will limit the cash flow available for other business opportunities.

Goldcorp's indebtedness could have important consequences to Goldcorp and the value of the Goldcorp Shares, including:

- limiting Goldcorp's ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of Goldcorp's growth strategy or other purposes;
- limiting Goldcorp's ability to use operating cash flow in other areas of the business because a portion of these funds must be indicated to service the debt;
- increasing Goldcorp's vulnerability to general adverse economic and industry conditions, including increases in interest rates;
- limiting Goldcorp's ability to capitalise on business opportunities and to react to competitive pressures and adverse changes in government regulation; and
- limiting Goldcorp's ability or increasing the costs to refinance indebtedness.

The terms of Goldcorp's revolving term credit facility requires Goldcorp and certain of its subsidiaries, with some exceptions, to satisfy various affirmative and negative covenants and to meet financial ratios and tests, including ratios and tests based on leverage and tangible net worth. The covenants under Goldcorp's debt agreements, limit, among other things, Goldcorp's ability to incur indebtedness, make payments on

10. Risk factors

outstanding debt if such payments would cause it to fail to meet financial covenants, create liens on assets, sell assets, make capital expenditures, or engage in mergers or acquisitions.

Given the restrictions in Goldcorp's debt covenants on these and other activities, Goldcorp may be significantly limited in its operating and financial flexibility, limited in its ability to respond to changes in its business or competitive activities and may be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. A failure to comply with these covenants, including a failure to meet the financial tests or ratios, would likely result in an event of default under the debt agreements and would allow the lenders to accelerate the debt under these agreements. If the debt is accelerated, Goldcorp's assets may not be sufficient to repay such debt in full.

10.25 Additional capital

The mining, processing, development and exploration of Goldcorp's properties, may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of Goldcorp's properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Goldcorp.

10.26 Servicing debt

Goldcorp's ability to make scheduled payments of the principal of, to pay interest on or to refinance its indebtedness, depends on Goldcorp's future performance, which is subject to economic, financial, competitive and other factors beyond its control. Goldcorp may not continue to generate cash flow from operations in the future sufficient to service the debt and make necessary capital expenditures. If Goldcorp is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Goldcorp's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. Goldcorp may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

10.27 Peñasquito Mine concentrate transportation and marketing risk

Goldcorp recently announced that the Peñasquito Mine has achieved commercial production. Concentrates containing combinations of gold, silver, lead and zinc will be produced in large quantities at Peñasquito and loaded onto highway

road vehicles for transport to in-country smelters or to sea ports for export to foreign smelters in markets such as Asia, Europe and North America. This type of process involves a high level of environmental and financial risk. Goldcorp could be subject to potential significant increases in road and maritime transportation charges and treatment and refining charges. Transportation of such concentrate is also subject to numerous risks including, but not limited to, delays in delivery of shipments, road blocks, terrorism, weather conditions and environmental liabilities in the event of an accident or leak. Goldcorp could be subject to limited smelter availability and capacity and could also face the risk of a potential interruption of business from a third party beyond its control, which in both cases could have a material adverse affect on Goldcorp's operations and revenues. There is no assurance that smelting, refining or transportation contracts for the Peñasquito Mine's products will be entered into on acceptable terms or at all.

10.28 Labour and employment matters

While Goldcorp believe that it has good relations with both its unionised and non-unionised employees, production at Goldcorp's mining operations is dependant upon the efforts of Goldcorp's employees. In addition, relations between Goldcorp and its employees may be impacted by changes in the scheme of labour relations which may be introduced by the relevant governmental authorities in whose jurisdictions Goldcorp carries on business. Adverse changes in such legislation or in the relationship between Goldcorp with its employees may have a material adverse effect on Goldcorp's business, results of operations and financial condition.

10.29 Land title

Although the title to the properties owned and proposed to be acquired by Goldcorp were reviewed by or on behalf of Goldcorp, no formal title opinions were delivered to Goldcorp and, consequently, no assurances can be given that there are no title defects affecting such properties. Title insurance generally is not available, and Goldcorp's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. Goldcorp has not conducted surveys of the claims in which it holds direct or indirect interests and, therefore, the precise area and location of such claims may be in doubt. Accordingly, Goldcorp's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, Goldcorp may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

10. Risk factors

Portions of Goldcorp's mineral reserves come from unpatented mining claims in the United States. There is a risk that any of Goldcorp's unpatented mining claims could be determined to be invalid, in which case Goldcorp could lose the right to mine mineral reserves contained within those mining claims. Unpatented mining claims are created and maintained in accordance with the General Mining Law of 1872. Unpatented mining claims are unique United States property interests, and are generally considered to be subject to greater title risk than other real property interests due to the validity of unpatented mining claims often being uncertain. This uncertainty arises, in part, out of the complex federal and state laws and regulations under the General Mining Law of 1872. Unpatented mining claims are always subject to possible challenges of third parties or contests by the federal government. The validity of an unpatented mining claim, in terms of both its location and its maintenance, is dependent on strict compliance with a complex body of federal and state statutory and decisional law.

In recent years, the United States Congress has considered a number of proposed amendments to the General Mining Law of 1872. If adopted, such legislation, among other things, could impose royalties on gold production from unpatented mining claims located on United States federal lands, result in the denial of permits to mine after the expenditure of significant funds for exploration and development, reduce estimates of mineral reserves and reduce the amount of future exploration and development activity on United States federal lands, all of which could have a material and adverse affect on Goldcorp's cash flow, results of operations and financial condition.

10.29 Climate change

Goldcorp acknowledges climate change as an international and community concern. Goldcorp supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. Goldcorp is committed to reducing energy consumption and GHG emissions and it promotes energy efficiency at all of its operations.

In addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, Goldcorp expects this will result in increased costs at some of its operations.

Two initiatives of particular importance to Goldcorp are:

- (a) the Western Climate Initiative (**WCI**): The WCI is a cooperative effort of US states and Canadian provinces (including British Columbia, Manitoba, Ontario and Quebec) that are collaborating to identify policies to reduce GHG emissions, including the design and implementation of a regional cap-and-trade program. The design for the WCI cap-and-trade program is comprehensive. When it is fully implemented in 2015, the WCI program will cover up to 90% of the GHG emissions in WCI partner states and provinces. Goldcorp will continue to monitor developments in the WCI and its potential impacts on operations; and
- (b) in March 2009, the USEPA released proposed rules for a mandatory GHG registry that is intended to cover 85-90% of the nation's GHG emissions – requiring reporting from approximately 13,000 facilities. The proposed rule requires reporting from direct emitters, 'upstream' suppliers of fossil fuels and GHG chemical products, industrial chemical plants, and vehicle and engine manufacturers, among others.

Goldcorp's operations are not directly threatened by current predictions of sea level rise. All of Goldcorp's operations are located well inland at elevations from 100 metres to 4,000 metres above sea level. However, changes in sea levels could affect ocean transportation and shipping facilities which are used to transport supplies, equipment and personnel to Goldcorp's operations and products from those operations to world markets.

Extreme weather events (such as increased frequency or intensity of hurricanes, increased snow pack, prolonged drought) have the potential to disrupt operations at Goldcorp's mines. Where appropriate, Goldcorp's facilities have developed emergency plans for managing extreme weather conditions, however, extended disruptions to supply lines could result in interruption to production.

Goldcorp's facilities depend on regular supplies of consumables (diesel, tyres, etc.) and reagents to operate efficiently. In the event that the effects of climate change cause prolonged disruption to the delivery of essential commodities, then Goldcorp's production efficiency is likely to be reduced.

10. Risk factors

10.31 Insurance and uninsured risks

Goldcorp's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods, hurricanes and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Goldcorp's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Goldcorp maintains insurance to protect against certain risks in such amounts as it considers reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. Goldcorp may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to Goldcorp or to other companies in the mining industry on acceptable terms. Goldcorp might also become subject to liability for pollution or other hazards which may not be insured against or which Goldcorp may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Goldcorp to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

10.32 Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect Goldcorp's operations, financial condition and results of operations.

10.33 Joint ventures

Goldcorp holds an indirect 37½% interest in the Alumbra Mine, the other 12.5% and 50% interests being held indirectly by Yamana Gold Inc. and Xstrata Plc, respectively. Goldcorp holds an indirect 40% interest in the Pueblo Viejo Project, an indirect 66⅔% interest in the Marigold Mine and an indirect 40% interest in the Dee/South Arturo Project, the remaining interest in each of these properties being held indirectly by Barrick. Goldcorp's interest in these properties is subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following circumstances and events could have a material adverse impact on Goldcorp's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on Goldcorp's future cash flows, earnings, results of operations and financial condition: (i) disagreement with joint venture partners on how to develop and operate mines efficiently; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) litigation between joint venture partners regarding joint venture matters.

10.34 Subsidiaries

Goldcorp is a holding company that conducts operations through Canadian and foreign (Antiguan, Argentinean, Barbadian, Bermudian, Cayman Island, Guatemalan, Honduran, Chilean, Mexican and American) Subsidiaries, joint ventures and divisions, and a significant portion of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict Goldcorp's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on Goldcorp's valuation and stock price.

10.35 Market price of Goldcorp's securities

The Goldcorp Shares and the Goldcorp Warrants are listed on the TSX and the NYSE. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, currency fluctuations and market perceptions of the attractiveness of particular industries. The price of the Goldcorp Shares and the Goldcorp Warrants are also likely to be significantly affected by short-term changes in gold, silver, copper, lead and zinc prices or in its financial condition or results of operations as reflected in its quarterly earnings reports.

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As a result of any of these factors, the market price of the Goldcorp Shares and the Goldcorp Warrants at any given point in time may not accurately reflect Goldcorp's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Goldcorp may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

10.36 Key executives

Goldcorp is dependent on the services of key executives, including its President and Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and a small number of highly skilled and experienced executives and personnel. The loss of these persons or Goldcorp's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

10.37 Conflicts of interest

Certain of the directors and officers of Goldcorp also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Goldcorp will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Goldcorp and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set out in the Business Corporations Act (Ontario) and other applicable laws.

10.38 Conversion of the Goldcorp Notes

The conversion of some or all of the Goldcorp Notes may dilute the ownership interests of existing shareholders. Any sales in the public market of any of the Goldcorp Shares issuable upon such conversion could adversely affect prevailing market prices of the Goldcorp Shares. In addition, the anticipated conversion of the Goldcorp Notes into Goldcorp Shares or a combination of cash and Goldcorp Shares could depress the price of the Goldcorp Shares.

10.39 US federal income tax risk

The Scheme may have adverse US federal income tax consequences for US Holders under the passive foreign investment company (PFIC) rules.

A US Holder of Andean Shares would generally be subject to adverse tax rules in respect of the Scheme if Andean was classified as a PFIC for any taxable year during which a US Holder holds or held Andean Shares. These adverse tax rules may include, but are not limited to:

- (a) the gain from the Scheme being fully taxable at ordinary income rather than capital gain rates; and
- (b) an interest charge being imposed on the amount of the gain treated as being deferred under the PFIC rules.

Andean believes that it was a PFIC for each of its taxable years since its formation. US Holders are urged to consult their own tax advisors regarding all aspects of the PFIC rules. For further details in relation to US federal income tax consequences of the Scheme please see **section 9.3** of this Scheme Booklet.

11. Additional information



11. Additional information

This Scheme Booklet, including the additional information contained in this section, has been prepared for the purposes of section 412(1) of the Corporations Act to explain the effect of the proposed scheme of arrangement between Andean and its Shareholders to be considered at the Scheme Meeting. The Scheme is set out in **Annexure G** to this Scheme Booklet.

11.1 Merger Implementation Agreement

Andean and Goldcorp have entered into the Merger Implementation Agreement in connection with the proposed Scheme. The Merger Implementation Agreement sets out the obligations of Andean and Goldcorp in relation to the Scheme.

A summary of the Merger Implementation Agreement is contained in **Annexure D** to this Scheme Booklet.

11.2 Conditions to the Merger

The obligations of Andean and Goldcorp to implement the Merger are subject to the following outstanding conditions being satisfied or, where applicable, waived in accordance with the terms of the Merger Implementation Agreement:

- (a) Regulatory approvals obtained
Any regulatory authority approvals necessary to implement the Merger being obtained.
- (b) Court orders
No court order or other legal restraint preventing the implementation of the Scheme.
- (c) Scheme approval
Approval of the Scheme by the Requisite Majority of Shareholders under the Corporations Act.
- (d) Court approval of the Scheme
Court approval of the Scheme being obtained.
- (e) No Andean or Goldcorp Prescribed Event
No Andean Prescribed Event or Goldcorp Prescribed Event occurring before the Second Court Date.
- (f) No Andean Material Adverse Change
No Andean Material Adverse Change occurring before the Second Court Date.
- (g) Quotation of New Goldcorp Shares
The New Goldcorp Shares being approved (subject to normal conditions) for listing on the TSX and the NYSE.
- (h) Representations and warranties of Andean and Goldcorp
The representations and warranties made by Andean being true and correct in all material respects on the Second Court Date.

The representations and warranties made by Goldcorp being true and correct in all material respects on the Second Court Date.

- (i) No illegality

No action being taken under any applicable law or by any government, governmental or regulatory authority which makes the Scheme illegal or otherwise directly or indirectly restrains, enjoins or prohibits the implementation of the Merger.

- (j) Options, performance rights and unvested Andean Shares
All outstanding Options being vested, and exercised, cancelled or acquired by Goldcorp or there being an agreement that they be exchanged for Goldcorp Options and the Andean Shares underlying all outstanding performance rights and share grants allocated under the ESOP being vested. See **section 6.9** of this Scheme Booklet for further details.

11.3 Conditions to Merger that have already been satisfied or waived

- (a) FIRB approval of the Merger
In accordance with the terms of the Merger Implementation Agreement, Goldcorp lodged an application with FIRB on 9 September 2010 and FIRB has confirmed that it has no objections in terms of the federal government's foreign investment policy to the proposal by Goldcorp to acquire 100% of the shares in Andean.
- (b) Approvals under material contracts
No approvals under material contracts were necessary to implement the Merger.
- (c) Independent expert report
Andean commissioned an Independent Expert, Grant Samuel, to prepare a report to ascertain whether the Scheme is in the best interests of Shareholders.
The Independent Expert has concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of Shareholders.
A copy of the Independent Expert's Report is contained in **Annexure A** to this Scheme Booklet.
- (d) Deed Poll
Goldcorp has executed a Deed Poll in favour of the Shareholders. A copy of the Deed Poll is set out in **Annexure H** to this Scheme Booklet.
- (e) Support of Directors
Goldcorp has waived the condition that all of the senior officers and Directors of Andean enter into customary agreements with Goldcorp pursuant to which they would agree, in the absence of a Superior Proposal, to vote in favour of the Scheme and agree not to sell or dispose of their Andean Shares.

11. Additional information

- (f) All holders of Options have entered into the Option Cancellation Deed. See **sections 6.9 and 11.16** for further details.
- (g) Goldcorp and Andean intend to waive any conditions related to the Competition Commission to the extent necessary prior to the Second Court Date, unless the Secretary of Internal Commerce determines before then not to approve the Merger or to impose conditions on the Merger that are unacceptable to Goldcorp acting reasonably. See **section 8.6** for further details.

11.4 Exclusivity arrangements

The Merger Implementation Agreement contains exclusivity arrangements that prevent Andean from making, soliciting, initiating, facilitating, entertaining, encouraging or promoting any inquiries or Third Party Proposals regarding, constituting or that may reasonably be expected to lead to an Acquisition Proposal or potential Acquisition Proposal.

This exclusivity provision does not restrict Andean or the Directors from:

- (a) considering or negotiating any unsolicited Third Party Proposal that may constitute a Superior Proposal;
 - (b) changing the recommendation by the Directors in respect of a Superior Proposal;
 - (c) approving or recommending a Superior Proposal to Shareholders; or
 - (d) entering into an agreement in respect of a Superior Proposal.
- However, Goldcorp has the right, but not the obligation, to match any Superior Proposal.

For more information in relation to the exclusivity provisions in the Merger Implementation Agreement refer to **section 5** of the Summary of the Merger Implementation Agreement set out in **Annexure D** to this Scheme Booklet.

11.5 Break Fee

A Break Fee is payable by Andean to Goldcorp in certain specified circumstances. The Break Fee is an amount equal to 1% of the aggregate of the total consideration offered by Goldcorp to implement the Scheme.

For more information in relation to the Break Fee refer to **section 6** of the Summary of the Merger Implementation Agreement set out in **Annexure D** to this Scheme Booklet.

11.6 Deed Poll

Goldcorp has executed a Deed Poll in favour of the Scheme Participants and promises to acquire and pay for all of the Andean Shares under the Scheme subject to the satisfaction of certain conditions precedent. A copy of the Deed Poll is set out in **Annexure H** to this Scheme Booklet.

11.7 Call Option Agreement

Sentient, Andean's largest shareholder, holding approximately 20.5% of the Andean Shares on issue as at the date of the Scheme Booklet, has entered into a Call Option Agreement with Goldcorp in respect of the Andean Shares held by Sentient.

The Call Option Agreement gives Goldcorp the option to call for the transfer to it of 107,909,316 Andean Shares held by Sentient giving Goldcorp a Relevant Interest in approximately 19.7% of the Andean Shares on issue as at the date of the Scheme Booklet.

The exercise price under the Call Option Agreement is equal to the Share Consideration (subject to any adjustments to the capital of Andean before the option is exercised). The option is exercisable in the period starting on 31 March 2011 and ending on 30 April 2011.

The Call Option Agreement lapses if:

- it is not validly exercised by 30 April 2011;
- the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting;
- the Andean Directors change their recommendation that Shareholders vote in favour of the Scheme;
- the Merger Implementation Agreement is terminated;
- the Scheme is not approved by the Requisite Majority of Shareholders before 22 February 2011 (unless Goldcorp and Sentient agree that the Call Option Agreement will not lapse in this circumstance); or
- Goldcorp terminates the Call Option Agreement.

The Call Option Agreement is attached to Goldcorp's "Notice of initial substantial holder" which was served on Andean on 7 September 2010 and is available on asx.com.au.

Separately Sentient has advised Andean that it intends to vote its Andean Shares in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude, that the Scheme is in the best interests of Shareholders.

11.8 Scheme Meeting

The Court has ordered that a meeting of Shareholders be held at 10.00am (Sydney time) on 3 December 2010 to consider the Scheme.

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved this Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Scheme or as to how Shareholders should vote (on this matter Shareholders must reach their own decision); or

11. Additional information

(b) has prepared, or is responsible for the content of, the Scheme Booklet.

The order of the Court that the Scheme Meeting be convened is not, and should not be treated as an endorsement by the Court of, or any other expression of opinion by the Court on, the Scheme.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of Shareholders.

The Scheme is conditional on approval by the Requisite Majority of Shareholders. If the Scheme is not approved by the Requisite Majority of Shareholders, it will not be implemented. If the Scheme is not approved, the Scheme will not proceed and Andean will not apply to the Court for any orders in connection with the Scheme.

Further details of the consequences of the Scheme not being implemented are set out in **section 5.6(c)**.

11.9 Court approval of the Scheme

Andean will apply to the Court for orders approving the Scheme if:

- (a) the Scheme is approved by the Requisite Majority at the Scheme Meeting; and
- (b) all other conditions to the Merger are satisfied or waived (as applicable).

The date on which the Court hears Andean's application is the Second Court Date.

The Court will have been advised of the intention to rely on a Section 3(a)(10) of the US Securities Act exemption based on the Court's approval of the Scheme.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of Shareholders.

If the Scheme is not approved, the Scheme will not proceed and Andean will not apply to the Court for any orders in connection with the Scheme.

The Federal Court of Australia Rules provide a procedure for Shareholders to oppose the approval by the Court of the Scheme or make representations to the Court in relation to the Scheme. If you wish to oppose approval by the Court of the Scheme at the Court hearing you may do so by filing with the Court, and serving on Andean, a notice of appearance in the prescribed form together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Andean at least one day before the Second Court Date. That date is currently scheduled to occur on or around 8 December 2010. Any change to this

date will be announced through ASX and will be available on ASX's website, asx.com.au. Alternatively, if you wish to make representations to the Court in relation to the Scheme, the Court may grant you leave to be heard at the hearing without becoming a party to the proceeding.

Additional requirements regarding Court approval of the Scheme are set out in **section 4.3** of this Scheme Booklet.

11.10 US securities laws

The following discussion is a general overview of certain requirements of United States federal securities laws that may be applicable to holders of New Goldcorp Shares in the United States (**United States Shareholders**). All United States Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of New Goldcorp Shares issued to them under the Scheme complies with applicable securities legislation.

The following discussion does not address the Canadian or Australian securities laws that will apply to the issue of New Goldcorp Shares or the resale of these securities by United States Shareholders within Canada. United States Shareholders reselling their New Goldcorp Shares in Canada must comply with Canadian securities laws.

Goldcorp is a "foreign private issuer" as defined in Rule 3b-4 under the US Exchange Act. Goldcorp is subject to the periodic reporting requirements under Section 13(a) of the US Exchange Act. Following completion of the Scheme and upon receipt of approval, the New Goldcorp Shares will be listed for trading on the NYSE.

(a) Section 3(a)(10) Exemption from United States Registration

The New Goldcorp Shares to be issued under the Scheme have not been, and will not be, registered under the US Securities Act, or the securities laws of any other jurisdiction, and may not be offered or sold in the US or to US Persons unless the securities are registered under the US Securities Act, or an exemption from the registration requirements of the US Securities Act and applicable securities laws of any State of the United States is available.

Any New Goldcorp Shares issued under the Scheme will be issued in reliance on the exemption from the registration requirements of the US Securities Act provided in Section 3(a)(10) of the US Securities Act based on the approval of the Scheme by the Court. The Court's approval is required for the Scheme to become effective. If the Court approves the Scheme, its approval will constitute the basis for the New Goldcorp Shares to be issued to US Persons without registration under the US Securities Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Section 3(a)(10).

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The New Goldcorp Shares received under the Scheme by any person who may be deemed to be an “affiliate” of Goldcorp under Rule 144 under the US Securities Act, including, without limitation, directors and certain executive officers, may not be resold in the United States or to a US Person except in accordance with the provisions of Rule 144 under the US Securities Act, outside of the United States in reliance upon Regulation S under the US Securities Act, or as otherwise permitted by the US Securities Act.

(b) United States Resale of New Goldcorp Shares

The New Goldcorp Shares to be issued under the Scheme to Shareholders in the United States will be freely transferable under United States federal securities laws, except by persons who are deemed to be “affiliates”, as such term is defined under Rule 144 of the US Securities Act, of Goldcorp or who are affiliates of Goldcorp after implementation of the Scheme.

New Goldcorp Shares issued under the Scheme to any person deemed to be an “affiliate” of Goldcorp or who will be deemed an “affiliate” of Goldcorp following implementation of the Scheme under Rule 144 of the US Securities Act, may not be resold in the United States or to a US Person except in a transaction permitted by Rule 144 of the US Securities Act, outside the United States in reliance upon Regulation S under the US Securities Act or as otherwise permitted by the US Securities Act. Persons who are deemed to be “affiliates” of an issuer generally include individuals or entities that directly or indirectly control, are controlled by, or are under common control with, that issuer and may include officers and directors of an issuer, as well as beneficial owners of 10% or more of any class of capital stock of an issuer.

(i) *Affiliates – Rule 144:* In general, under Rule 144, persons who are affiliates of Goldcorp after the Scheme will be entitled to sell in the United States, during any three-month period, a portion of the New Goldcorp Shares that they receive in connection with the Scheme, provided that the number of such shares sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about Goldcorp. Persons who are affiliates of Goldcorp after the Scheme will continue to be subject to the sale restrictions described

in this paragraph for so long as they continue to be affiliates of Goldcorp.

(ii) *Affiliates – Regulation S:* In general, under Regulation S, persons who are affiliates of Goldcorp solely by virtue of their status as an officer or director of Goldcorp, may sell their New Goldcorp Shares outside the United States in an “offshore transaction” (which would include a sale through the TSX) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States. In the case of a sale of New Goldcorp Shares by an officer or director who is an affiliate of Goldcorp solely by virtue of holding such position, there would be an additional requirement that no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of New Goldcorp Shares who is an affiliate of Goldcorp after the Scheme other than solely by virtue of his or her status as an officer or director of Goldcorp.

11.11 Canadian securities laws

This Scheme Booklet sets out the necessary disclosure for the purposes of meeting the applicable Australian law requirements.

Solely for the purposes of complying with Canadian securities laws, and in accordance with, and as required by Canadian securities laws, information has been incorporated by reference in this Scheme Booklet from documents filed with the securities commissions or similar authorities in Canada. Any statement contained in this Scheme Booklet which is inconsistent with the disclosure contained in any of the documents incorporated by reference shall be deemed to have modified, replaced or superseded such disclosure. Any statement so modified or superseded shall not be deemed, except as so modified, replaced or superseded, to constitute a part of this Scheme Booklet. The modifying, replacing or superseding statement need not state that it has modified, replaced or superseded a prior statement or include any other information set out in the document that it modifies, replaces or supersedes. The making of a modifying, replacing or superseding statement shall not be deemed an admission for any purposes that the modified, replaced or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to

11. Additional information

state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

The following documents are specifically incorporated by reference in, and form an integral part of, this Scheme Booklet:

- (a) the annual information form of Andean for the financial year ended 30 June 2010 and dated 28 September 2010;
- (b) the annual information form of Goldcorp for the financial year ended 31 December 2009 dated 19 March 2010, except for the section entitled "Description of the Business – Mineral Properties – Central and South America – Alumbra Mine, Argentina" which is not incorporated by reference in this Scheme Booklet;
- (c) the audited consolidated balance sheets of Goldcorp as at 31 December 2009 and 2008 and the consolidated statements of earnings, cash flows, shareholders' equity and comprehensive income for each of the three years in the period 31 December 2009, together with the report of independent registered chartered accountants thereon and the notes thereto;
- (d) management's discussion and analysis of financial condition and results of operations of Goldcorp for the financial year ended 31 December 2009;
- (e) the unaudited consolidated balance sheets of Goldcorp as at 30 June 2010 and 31 December 2009 and the consolidated statements of earnings, cash flows, shareholders' equity and comprehensive income for the three and six months ended 30 June 2010, together with the notes thereto;
- (f) the amended management's discussion and analysis of financial condition and results of operations of Goldcorp for the three and six months ended 30 June 2010;
- (g) the management information circular of Goldcorp dated 27 March 2009 prepared in connection with the annual meeting of shareholders of Goldcorp held on 22 May 2009;
- (h) the material change report of Goldcorp filed on 12 January 2010 relating to Goldcorp's execution of a binding agreement with New Gold, whereby New Gold will exercise its right of first refusal and acquire the 70% interest in the El Morro project held by Xstrata Copper Chile S.A., a wholly-owned subsidiary of Xstrata Plc.; and

- (i) the material change report of Goldcorp filed on 13 September 2010 relating to the Scheme.

Any other documents of the type described above, or other disclosure documents required to be incorporated by reference into a prospectus filed under NI 44-101, that are filed by Goldcorp with the securities commissions or similar authorities in any province or territory of Canada subsequent to the date of this Scheme Booklet and prior to the Scheme Meeting shall be deemed to be incorporated by reference into this Scheme Booklet.

A copy of the Andean annual information form for the financial year ended 30 June 2010 and dated 28 September 2010 incorporated herein by reference may be obtained on request without charge from Andean's North American headquarters at 200 Civic Centre Drive, Suite 300, Sandy, Utah 84070, telephone number (801) 984-1090 and is also available electronically at sedar.com. The filings of Andean through SEDAR are not incorporated by reference in this Scheme Booklet except as specifically set out in this Scheme Booklet.

Copies of the Goldcorp documents incorporated by reference in this Scheme Booklet may be obtained on request without charge from the Corporate Secretary of Goldcorp at Suite 3400, 666 Burrard Street, Park Place, Vancouver, British Columbia, V6C 2X8, telephone number (604) 696-3000, and are also available electronically at sedar.com. The filings of Goldcorp through SEDAR are not incorporated by reference in this Scheme Booklet except as specifically set out in this Scheme Booklet.

11.12 Actions by Andean and Goldcorp

If Court orders approving the Scheme are obtained, the Directors and the Goldcorp Board will take or procure the taking of the steps required for the Merger to be implemented. These will include the following:

- (a) Andean will lodge with ASIC, office copies of the Court orders approving the Scheme under section 411 of the Corporations Act and the Scheme will become Effective;
- (b) in consideration for the transfer of the Andean Shares to Goldcorp, on the Implementation Date, Goldcorp must provide Cash Consideration or Share Consideration (at the election of the Scheme Participant, subject to the scale-back mechanism set out in **section 5.2(i)** of this Scheme Booklet) to each Scheme Participant in respect of their Andean Shares;

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- (c) on or before the Implementation Date, Goldcorp will deposit the Cash Consideration into one or more Andean trust account and Andean will issue each Scheme Participant who has elected Cash Consideration a bank cheque for the Cash Consideration under the Scheme (subject to the scale-back mechanism set out in **section 5.2(i)** of this Scheme Booklet);
- (d) on the Implementation Date, Goldcorp will enter the name of each Scheme Participant who is entitled to receive Share Consideration under the Scheme on the share register of Goldcorp in respect of the New Goldcorp Shares and share certificates representing New Goldcorp Shares will be sent as soon as practicable after the Implementation Date;
- (e) on the Implementation Date, Andean will enter the name of Goldcorp in the Share Register as the holder of all of the Andean Shares;
- (f) Andean will apply to be removed from the official list of ASX and delisted from the TSX; and
- (g) each of the Directors, Louis Gignac, Wayne Hubert, Ian Hume, Barry Bolitho, Richard Lorson and Charles Winograd, will resign and be replaced by directors nominated by Goldcorp.

11.13 Effective Date

The Scheme will become Effective on the date upon which office copies of the orders of the Court under section 411 of the Corporations Act approving the Scheme are lodged with ASIC.

If the Scheme becomes Effective, Andean will immediately give notice of the event to ASX and the TSX.

Once the Scheme becomes Effective, Andean and Goldcorp will become bound to implement the Scheme in accordance with its terms.

11.14 Suspension and de-listing

Trading in Andean Shares on ASX and TSX will be suspended on the Effective Date. Following final implementation of the Scheme, it is intended that Andean will request that ASX remove Andean from the official list of ASX and will apply to have the Andean Shares delisted from the TSX.

It is anticipated following the implementation of the Scheme, Goldcorp will apply to have Andean cease to be a reporting issuer in each jurisdiction in Canada where it currently is a reporting issuer.

11.15 Termination of the Merger Implementation Agreement

The Merger Implementation Agreement may be terminated in certain circumstances, including:

- (a) By agreement between the parties
By Goldcorp or Andean, if agreed to in writing by them.
- (b) If a Change in Recommendation occurs
By Goldcorp, if:
- the Directors change their recommendation of the Scheme; or
 - Andean has approved or recommended another Acquisition Proposal; or
 - Andean has entered into a definitive agreement with respect to a Superior Proposal.
- (c) If a Superior Proposal emerges
By Andean, in order to enter a written agreement in respect to a Superior Proposal, subject to the exclusivity and Break Fee provisions of the Merger Implementation Agreement.
- (d) If there is a material breach of the Merger Implementation Agreement
By Goldcorp or Andean, with notice, if the other is in material breach of the Merger Implementation Agreement and the material breach is not remedied within 10 Business Days.
- (e) If the Scheme is not approved by Shareholders
By either party if the Scheme is not approved by the requisite majority of Shareholders.
- (f) If Scheme fails to become Effective before the end date
By Goldcorp or Andean, if the Scheme has not become Effective before 15 March 2011, unless the Scheme has not become Effective due to a breach by the other party of its obligations under the Merger Implementation Agreement.
- (g) If the Court or regulatory authority restrains the Merger
By Goldcorp or Andean, if the Court or other regulatory authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Merger.
- (h) Insolvency of either party
By Goldcorp or Andean, if the other party or any of its material Related Bodies Corporate becomes insolvent.

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(i) Conditions Precedent

By Goldcorp or Andean, if there is a breach or non-fulfilment of a Condition Precedent which is not waived and there is failure to agree on an alternative means of completing the Merger.

(j) Andean Material Adverse Change

By Goldcorp, if an Andean Material Adverse Change occurs prior to the Second Court Date.

11.16 Interests of Directors

(a) Andean marketable securities

The number, description and amount of Andean marketable securities held by or on behalf of each Director as at 25 October 2010 (Toronto) are:

Director	Andean Shares	Options
Louis Gignac	166,666	nil
Charles Winograd	nil	nil
Richard Lorson	1,035,250	nil
Barry Bolitho	1,030,514	nil
Wayne Hubert	5,821,000	nil
Ian Hume	5,000,000	nil

(b) Goldcorp marketable securities

Other than listed below, there are no marketable securities of Goldcorp held by or on behalf of any Directors as at the date of this Scheme Booklet:

- the Richard C Lorson Trust owns 4,976 Goldcorp Shares.

(c) Payments or other benefits to Directors, secretaries or executive officers

Under the Merger Implementation Agreement, the Andean Board is entitled to accelerate the vesting of:

- an aggregate of 2,318,494 unvested Andean Shares in respect of previous grants made under the ESOP;
- 673,440 outstanding unvested Options;
- 133,000 unvested Andean Shares allocated as incentive grants to executives; and
- A\$1,440,000 worth of performance rights.

The implementation of the Scheme will constitute a "change of control" for the purposes of the employment agreements between Andean and its executive officers.

The following benefits are payable to Directors and executive officers under their employment agreements in the event of a "change of control" (the shares listed below under the heading "Unvested Andean Shares" are included in the 2,318,494 unvested Andean Shares in respect of previous grants made under the ESOP set forth above):

Director/executive officer	Position	Unvested Options	Unvested Andean Shares	Other benefit ¹
Wayne Hubert	CEO	*106,260	*46,200	US\$385,000 (12 months salary)
Charles Winograd	Director		*150,000	
Krista Muhr	Vice President, Investor Relations	26,700	35,008	US\$139,920 (12 months salary)
John Thomas	Corporate Secretary and Legal Counsel		112,816	US\$141,750 (12 months salary)
Heber Sheffield	Corporate Officer	2,040,480	31,725	US\$208,000 (12 months salary)
Richard Leclerc	COO		536,771	US\$550,000 (24 months salary)
Eric Edwards	CFO		300,000	US\$215,000 (12 months salary)
William Wulftange	Vice President, Exploration		322,750	US\$208,000 (12 months salary)
Louis Gignac	Chairman		83,333	

(1) Applies if the employee is terminated without just cause or where there is a material diminution of the employee's duties and responsibilities.

* Subject to Shareholder approval at the Annual General Meeting (refer to **Annexure J** for more details).

11. Additional information

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board will approve the vesting of any unvested Options.

While the holders of the Options retain the right to exercise the Options, Goldcorp has entered into the Option Cancellation Deed with Andean and each of the Option holders under which the Options will be cancelled in exchange for cash equal to the difference between the exercise price of the Option and C\$6.50. The Option Cancellation Deed is subject to the Scheme becoming Effective, Shareholders approving the cancellation of the Options at the Annual General Meeting and the Options not having been exercised. If Shareholders do not approve the cancellation of the Options at the Annual General Meeting, the Option Cancellation Deed requires the Option holders to exercise their Options prior to the Record Date.

In addition, Andean executive officers will receive payment for any earned but unpaid salary and any unused leave.

An independent committee of Directors, acting in good faith, has determined that the value of any benefit which may accrue to Wayne Hubert through severance of his employment agreement and cancellation of his Options is less than five percent of the Scheme Consideration he expects to receive.

(d) Agreements or arrangements with Directors in connection with or conditional upon outcome of the Scheme.

Except as set out in **section 11.16(c)** above in relation to the holding of Options, performance rights or unvested Andean Share grants under the ESOP, there is no agreement or arrangement made between any Director, secretary or executive officer of Andean and any other person in connection with or conditional on the Scheme.

(e) Interests of Directors in contracts entered into by Goldcorp
Other than the Option Cancellation Deed entered into between Wayne Hubert, as an option holder, and Goldcorp, none of the Directors have any interests in contracts entered into by Goldcorp.

11.17 Intentions

If the Scheme is implemented, it will be a matter for Goldcorp to formulate its intentions in relation to:

- the continuation of the business of Andean;
- any major changes to be made to the business of Andean; and
- the future employment of the present employees of Andean.

The current intentions of Goldcorp, as communicated to Andean, are set out in **section 8.3** of this Scheme Booklet.

11.18 Relevant interests of Goldcorp in Andean securities

As at the date of this Scheme Booklet:

- no Andean Shares or Options are held by or on behalf of any Goldcorp directors; and
- Goldcorp has a Relevant Interest in approximately 19.7% of the Andean Shares on issue under the Call Option Agreement – see **section 11.7**.

11.19 Dealings in Andean securities

Except as disclosed elsewhere in this Scheme Booklet, neither Goldcorp nor any Associate has provided, or agreed to provide, consideration for any Andean Shares under a purchase or agreement during the four months ended on the day immediately before the date of this Scheme Booklet.

Except as disclosed elsewhere in this Scheme Booklet, during the period of four months ended on the day immediately before the date of this Scheme Booklet, neither Goldcorp nor any Associate has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:

- vote in favour of the Scheme; or
- dispose of Andean Shares,

and the benefit has not been offered to all Shareholders.

11.20 Warranty by Scheme Participants

The Scheme provides that each Scheme Participant, at the Record Date is deemed to have warranted to Goldcorp that:

- all their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) that are to be transferred to Goldcorp under the Scheme are, at the date of transfer, fully paid and free from all encumbrances and restrictions on transfers of any kind; and
- they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Goldcorp under this Scheme.

11.21 Material change in financial position

On 11 August 2010, Andean completed a capital raising of C\$234.5 million (approximately A\$250 million) before expenses, primarily from North American based institutional investors under a short form Canadian prospectus. See **section 6.4** for more information.

Other than the capital raising described above, within the knowledge of the Directors, there has been no material change to the financial position of Andean since 30 June 2010, being the date of the last published balance sheet of Andean.

Andean's ASX Quarterly Report for 30 September 2010 and Financial Statements for the quarter ended 30 September 2010 (which are expected to be announced by the end of

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October and mid November respectively) will be available:

- from ASX or on its website asx.com.au;
- from SEDAR on its website sedar.com; and
- on Andean's website andean.com.au.

11.22 Lodgement of this Scheme Booklet

This Scheme Booklet was given to ASIC on 11 October 2010 in accordance with section 411(2)(b) of the Corporations Act.

11.23 No unacceptable circumstances

The Directors believe that the Scheme does not involve any circumstances in relation to the affairs of any Shareholder that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

11.24 ASIC and ASX waivers and consents

(a) Extension of the Annual General Meeting under section 250P of the Corporations Act

Section 250N(2) of the Corporations Act requires a public company to hold its annual general meeting at least once in each calendar year and within five months after the end of its financial year. Under section 250P(1) of the Corporations Act a public company may apply to ASIC to extend the period within which it must hold its annual general meeting. The last date for Andean to hold its Annual General Meeting for 2010 in accordance with section 250N(2) is 30 November 2010.

In accordance with section 250P of the Corporations Act, ASIC has extended the date by which Andean must hold its Annual General Meeting for 2010 to no later than 31 January 2011 provided the Annual General Meeting is held on or before the date of the Scheme Meeting.

(b) ASX waiver from Listing Rule 6.23.2

ASX Listing Rule 6.23.2 requires that a change which has the effect of cancelling an option for consideration can only be made if shareholders approve the change. ASX has granted Andean a waiver from ASX Listing Rule 6.23.2 to allow for the cancellation of any Options in accordance with the Option Cancellation Deed without the need to obtain specific Shareholder approval. The waiver is conditional on the Scheme being approved by Shareholders and by the Court.

Despite this ASX waiver, Andean proposes to seek Shareholder approval for the cancellation of the Options for the purposes of section 6.13 of the TSX Company Manual and Listing Rule 6.23.2 as set out in the notice of Annual General Meeting.

(c) ASIC exemption section 601ED

Andean and Goldcorp have applied to ASIC for an exemption from and modification of the requirement of section 601ED and Divisions 2 to 5 of Part 7.9 of the Corporations Act in relation to the proposed Sale Agent and share sale process for Ineligible Foreign Shareholders under the Scheme.

11.25 Creditors of Andean

The Scheme, if implemented, is not expected to materially prejudice Andean's ability to pay its creditors as it involves the acquisition of Andean Shares for consideration provided by a third party, rather than the acquisition of Andean's underlying assets. No material new liability (other than transaction costs) is expected to be incurred by Andean as a consequence of the implementation of the Scheme. Andean has paid and is paying all of its creditors within normal terms of trade and is solvent and trading in an ordinary commercial manner.

11.26 Interests of experts

(a) Interests of advisers

Other than as set out in this **section 11.26** or elsewhere in this Scheme Booklet, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet holds, or held at any time during the last two years before the date of this Scheme Booklet, any interest in:

- (i) the formation or promotion of Goldcorp;
- (ii) any property acquired or proposed to be acquired by Goldcorp in connection with its formation or promotion or the offer for allotment of the New Goldcorp Shares; or
- (iii) the offer for allotment of New Goldcorp Shares.

Other than as set out in this **section 11.26** or elsewhere in this Scheme Booklet, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the preparation of this Scheme Booklet or in connection with the formation or promotion of Andean in connection of the Scheme.

(b) Andean's experts and fees

The persons performing a function in a professional or advisory capacity in connection with the Scheme and with the preparation of this Scheme Booklet on behalf of Andean are:

- (i) Corrs Chambers Westgarth as legal adviser in relation to Australian law;

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- (ii) Fraser Milner Casgrain LLP as legal adviser in relation to Canadian law;
- (iii) Skadden, Arps, Slate, Meagher & Flom LLP as legal adviser in relation to United States law;
- (iv) BMO Capital Markets as financial adviser to Andean;
- (v) Grant Samuel & Associates Pty Limited as the author of the Independent Expert's Report;
- (vi) AMC Consultants Pty Ltd as the author of the Independent Technical Specialist's Report; and
- (vii) Deloitte Touche Tohmatsu as the author of the Investigating Accountant's Report.

Each of them will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The fee for professional services paid or payable to the Independent Expert which has provided an Independent Expert's Report is A\$700,000 (plus GST). The fee for professional services paid or payable to the Independent Technical Specialist which has provided an Independent Technical Specialist's Report is A\$110,000 (plus GST).

The fee for professional services paid or payable to the Investigating Accountant which has provided an Investigating Accountant's Report is C\$30,000 (plus GST).

The fee payable to the Proxy Solicitation Agent is a fixed fee of C\$300,000 plus out-of-pocket expenses which will be borne directly by Andean.

Notwithstanding the foregoing, BMO Capital Markets, as a full-service Canadian investment dealer, in the ordinary course (i) acts as a trader of, and dealer in, securities both as principal and on behalf of clients and, as such, may have had, and may in the future have, long or short positions in the securities of Goldcorp and/or Andean, their Affiliates, predecessor or successor companies, (ii) conducts research on securities and provides investment advice to clients on investment matters and may, in the ordinary course of business, provide research reports and advice with respect to Goldcorp and/or Andean, their Affiliates, predecessor or successor companies and (iii) may have provided, or in the future provide, other financial services which may include financial advisory services to Goldcorp and/or Andean, their Affiliates, predecessor or successor companies.

11.27 Consents

The following parties have given and, have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their written consent to be named in this Scheme Booklet in the form and context in which they are named:

- (a) BMO Capital Markets as financial adviser to Andean;
- (b) CIBC World Markets Inc as Sale Agent;
- (c) Computershare Investor Services Pty Limited as the Australian Registry;
- (d) Computershare Investor Services Inc. as the Canadian Registry;
- (e) Corrs Chambers Westgarth as Andean's Australian legal adviser;
- (f) Fraser Milner Casgrain LLP as Andean's Canadian legal counsel;
- (g) Global Proxy Solicitation as the Proxy Solicitation Agent;
- (h) Kingsdale Shareholder Services Inc. as the Proxy Solicitation Agent;
- (i) Skadden, Arps, Slate, Meagher & Flom LLP as Andean's US legal counsel; and
- (j) Sentient (including Sentient Executive GP I, Limited, Sentient Executive GP II, Limited, Sentient Executive GP III, Limited and Sentient (Aust) Pty Ltd) in respect of the statement that it intends to vote its Andean Shares in favour of the Scheme.

Each person referred to in this **section 11.27**:

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in this **section 11.27**; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Scheme Booklet other than a reference to its name and the statements (if any) included in this Scheme Booklet with the consent of that person as specified in this **section 11.27**.

11. Additional information

11.28 Information relating to ore reserves and mineral resources

(a) Andean

Information in this Scheme Booklet relating to mineral resources (as defined in the JORC Code) in respect of the Andean Information is based on information compiled by Steven Ristorcelli of Mine Development Associates. Mr Ristorcelli is a full-time employee of Mine Development Associates in Reno, Nevada, and in the capacity of a qualified person, he has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a 'competent person' (as defined by the JORC Code). Mr Ristorcelli is a Qualified Person under NI 43-101. Mr Ristorcelli has consented to inclusion of this information in the form and context in which it appears in this Scheme Booklet, and has not withdrawn that consent before the time of registration of this Scheme Booklet with ASIC.

Information in this Scheme Booklet relating to ore reserves (as defined in the JORC Code) in respect of the Andean Information is based on information compiled by Carlos Guzmán who is a member of The Australian Institute of Mining and Metallurgy. Mr Guzmán is a full-time employee of NCL Ltd., and in the capacity of a competent person, has sufficient experience in relation to the style of mineralisation and type of deposit under consideration to qualify as a 'competent person' (as defined by the JORC Code). Mr Guzmán is a Qualified Person under NI 43-101.

Mr Guzmán has consented to inclusion of this information in the form and context in which it appears in this Scheme Booklet, and has not withdrawn that consent before the time of registration of this Scheme Booklet with ASIC.

(b) Goldcorp

Each of the persons listed in the table below:

- prepared or supervised the preparation of the estimates of Mineral Resources or Mineral Resources attributed to them (as noted below and also in **Annexure F**) which are extracted in the Scheme Booklet;
- is a Qualified Person under NI 43-101;
- is a member of a Recognised Overseas Professional Organisation for the purposes of the JORC Code (except where noted);
- has sufficient experience relevant to the specified mineral project to qualify as a Qualified Person; and
- has consented to the inclusion in this Scheme Booklet of the matters based on his or her information in the form and context in which it appears and such consent has not been withdrawn before the date of this Scheme Booklet.

(c) A Qualified Person is defined under NI 43-101 to be an engineer or geoscientist:

- (i) with at least five years experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these;
- (ii) with experience relevant to the subject matter of the mineral project and the technical report; and
- (iii) who is a member in good standing of a professional association of engineers, geoscientists or both engineers and geoscientists that, among other things, is self-regulatory, has been given authority by statute of a jurisdiction in Canada or is a designated foreign association, admits members based on their qualifications and experience, requires compliance with professional standards of competence and ethics and has disciplinary powers to suspend or expel a member.

11. Additional information

Name of Qualified Person	Property	Mineral Resource or Mineral Reserve ¹
Stephane Blais	Red Lake Gold Mines	Mineral Reserves
Chris Osiowy	Red Lake Gold Mines	Mineral Resources
Robert H. Bryson	Peñasquito Project	Mineral Reserves
Fred H. Brown	Peñasquito Project	Mineral Resources
Reynaldo Rivera	Los Filos Mine	Mineral Resources and Mineral Reserves
Julio Bruna Novillo	Alumbrera Mine	Mineral Resources and Mineral Reserves
Patrick Stephenson	Pueblo Viejo Project	Mineral Resources
Herbert A. Smith	Pueblo Viejo Project	Mineral Reserves
Andrew S. Tripp	Marlin Mine	Mineral Resources and Mineral Reserves
Maryse Belanger	Cerro Blanco Project	Mineral Resources
Imola Gotz	Porcupine Mine	Mineral Reserves
Stephen Price	Porcupine Mine	Mineral Resources
Tim Sanford	Musselwhite Mine	Mineral Reserves
Rohan Millar	Musselwhite Mine	Mineral Resources
Patty Maloney ⁽¹⁾	Marigold Mine	Mineral Resources and Mineral Reserves
Ken Nelson	Wharf Mine	Mineral Resources and Mineral Reserves
Steven Ristorcelli	El Sauzal Mine	Mineral Resources and Mineral Reserves
Eric Chen	Éléonore Project	Mineral Resources
Mort Shannon	Noche Buena Project	Mineral Resources
Maryse Belanger	Dee/South Arturo Project	Mineral Resources and Mineral Reserves

Note (1): Patty Maloney is the Qualified Person in respect of the Marigold Mine, Patty Maloney is a registered professional engineer in Montana, Wyoming and Idaho, and a member of the American Institute of Mining, Metallurgical, and Petroleum Engineers (AIME). AIME is not a Recognised Overseas Professional Organisation for the purposes of the JORC Code. The Marigold Mine is not a material mineral project of Goldcorp.

11.29 Other material information

Except as set out in this Scheme Booklet, there is no other information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Director or Related Body Corporate of Andean which has not previously been disclosed to Shareholders.

Glossary



Glossary

In this Scheme Booklet (other than the Schedules), unless the context requires otherwise:

Acquisition Proposal means other than the transactions contemplated by the Merger Implementation Agreement, any offer, proposal, expression of interest, or inquiry, whether oral or written, from any person (other than Goldcorp or any of its Affiliates) relating to:

- (a) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of:
 - (i) the assets of Andean and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 10% or more of the fair market value of the consolidated assets of Andean;
 - (ii) subject to (iii) below, 10% or more of any voting or equity securities of Andean or any of its Subsidiaries; or
 - (iii) 50% or more of any voting or equity securities of Andean or any of its Subsidiaries;
- (b) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of Andean; or
- (c) a scheme of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganisation, recapitalisation, liquidation, dissolution or other similar transaction involving Andean or any of its Subsidiaries.

Affiliate means, in relation to a party, another person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with such party.

AGM Explanatory Statement and Management

Information Circular means the information accompanying the notice convening the Annual General Meeting which is set out in **Annexure J**.

A-IFRS means Australian Accounting Standards (including Australian Accounting Interpretations).

Alumbrera Mine has the meaning given in **section 7.5** of this Scheme Booklet.

AMC Consultants means AMC Consultants Pty Limited, ACN 008 129 164.

Andean means Andean Resources Limited, ACN 064 494 319.

Andean Board means the board of directors of Andean.

Andean Information means the information contained in this Scheme Booklet other than the Goldcorp Information, the Independent Expert's Report in Annexure A to this Scheme Booklet, Independent Investigating Accountant's Report in Annexure B to this Scheme Booklet, and the Independent Technical Specialist's Report in Annexure C to this Scheme Booklet.

Andean Material Adverse Change means specified events which, individually or when aggregated with all such events, have or would reasonably be expected to: (A) adversely affect the continued ownership and development of the Cerro Negro Project by Andean or Goldcorp; or (B) have the result that the business, operations, prospects, trading or financial position, assets, liabilities or material licences of Andean and its Related Bodies Corporate, taken as a whole, are materially adversely affected for a material period of time, but does not, in either case, include any change, event, occurrence or effect:

- (a) relating to the global economy or securities markets in general;
- (b) affecting the worldwide mining industry in general and which does not have a materially disproportionate effect on Andean and its Related Bodies Corporate, on a consolidated basis;
- (c) relating to change in the market trading prices of shares of Andean arising from:
 - (i) the announcement of the execution of the Merger Implementation Agreement or the transactions contemplated by it; or
 - (ii) primarily resulting from a change, event, occurrence or effect excluded from this definition under (a), (b) or (d);
- (d) resulting from changes in the price of gold, silver or copper;
- (e) relating to the rate at which Canadian dollars can be exchanged for Australian dollars or vice versa;
- (f) any matter publicly disclosed on or before the date of the Merger Implementation Agreement (including as a result of disclosures on SEDAR, ASX and the TSX);
- (g) in generally accepted accounting policies applicable to Andean or its Related Bodies Corporate; or
- (h) occurring directly or indirectly as a result of any matter, event or circumstance required by the Merger Implementation Agreement, the Scheme or the transactions contemplated by them,

provided, however that any such effect referred to above does not primarily relate only to Andean and its Related Bodies Corporate taken as a whole compared to other companies of similar size operating in the mining industry.

Andean Prescribed Event means any one of the following:

- (a) **(Corporate actions)** Andean, except upon prior consultation with and with the consent of Goldcorp, directly or indirectly does, agrees to do, or permits to occur any of the following actions:
- amends its constituent documents;
 - declares, sets aside or pays any dividend or other distribution or payment in respect of any of the shares of Andean;
 - issues, grants, sells or pledges or agrees to issue, grant, sell or pledge any shares of Andean, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares of Andean (other than ordinary shares issuable upon the exercise of currently outstanding options);
 - redeems, purchases or otherwise acquires any of the outstanding shares of Andean or other securities;
 - splits, combines or reclassifies any of the shares of Andean; or
 - adopts resolutions or enters into any agreement providing for the amalgamation, merger, consolidation, reorganisation, liquidation, dissolution or any other extraordinary arrangement in respect of itself or any of its Subsidiaries or adopts any plan of liquidation.
- (b) **(Buy-back)** Andean:
- enters into a buy-back agreement; or
 - resolves to approve the terms of a buy-back agreement under the Corporations Act.
- (c) **(Disposals)** Andean or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of Andean's business or property.
- (d) **(Acquisitions, disposals or tenders)** Andean or any of its Subsidiaries:
- acquires or disposes of;
 - agrees to acquire or dispose of;
 - offers, proposes, announces a bid or tenders for,
- any business, assets (other than in the ordinary course of business), entity or undertaking.
- (e) **(Encumbrances)** other than in the ordinary course of business and consistent with past practice Andean or any of its Subsidiaries creates, or agrees to create, any encumbrance over the whole or a substantial part of its business or property.

(f) **(Employment arrangements)** other than in the ordinary course of business and consistent with past practice or in accordance with the Merger Implementation Agreement, Andean or any of its Subsidiaries:

- increases the remuneration of, or otherwise varies the employment arrangements with, any of its Directors or employees;
- subject to the Merger Implementation Agreement, accelerates the rights of any of its Directors or employees to compensation or benefits or any kind (including under any Andean executive or employee share plans); or
- pays any of its Directors or employees a termination or retention payment (otherwise than in accordance with an existing contract in place at the date of the Merger Implementation Agreement).

(g) **(Commitments and settlements)** other than in the ordinary course of business and consistent with past practice and Andean's current budget, Andean or any of its Subsidiaries:

- enters into any contract or commitment involving revenue or expenditure of more than C\$250,000 over the term of the contract or commitment;
- terminates or amends in a material manner any contract material to the conduct of Andean's business or which involves revenue or expenditure of more than C\$250,000 over the term of the contract;
- waiving any material third party default; or
- settle or compromise a material matter (relating to an amount in excess of C\$250,000) either individually or in aggregate.

(h) **(Significant Contract)** Andean enters into or agrees to enter into a significant contract.

(i) **(Insolvency)** Andean or any of its related bodies corporate becomes insolvent.

(j) **(Indebtedness)** Andean or any of its Related Bodies Corporate incur, authorise or otherwise become committed for any indebtedness in excess of C\$250,000 for borrowed money including by way of guarantee or surety.

Andean Share means a fully paid ordinary share in the capital of Andean.

Glossary

Andean Shareholder Information Line means the information line maintained by Kingsdale Shareholder Services or Global Proxy Solicitation Inc.:

- in North America by telephone at 1-888-518-1561 (toll free);
- outside of North America by telephone at +1-416-867-2272;
- in Australia by telephone at 1300 748 255 (toll free); or
- by email at contactus@kingsdaleshareholder.com.

Annexure means an annexure to this Scheme Booklet.

Announcement Date means the date on which Goldcorp and Andean announced to the ASX that they had entered into the Merger Implementation Agreement, being 3 September 2010.

Annual General Meeting means the Annual General Meeting of Andean for the financial year ended 30 June 2010.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in the Corporations Act.

ASX means Australian Securities Exchange Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it.

ASX Listing Rules means the official listing rules of ASX.

ASX Quarterly Report means "Appendix 5B Mining Exploration Entity quarterly report" under the ASX Listing Rules.

Attfield means Attfield Pty Limited, ACN 107 133 746.

Australian Registry means Computershare Investor Services Pty Limited.

Bajo Negro means the Bajo Negro deposit within the Cerro Negro Project.

Barrick means Barrick Gold Corporation.

BMO Capital Markets means BMO Nesbitt Burns Inc.

Break Fee means an amount equal to 1% of the aggregate of the total consideration offered by Goldcorp to implement the Scheme.

Business Day means a day in Sydney, Australia that is not a Saturday, Sunday or a public holiday and on which banks in Sydney, and the ASX are open for trading.

Call Option Agreement means the call option agreement between Goldcorp and Sentient dated 3 September 2010.

Canadian Beneficial Holder means a non-registered beneficial holder of Andean Shares that are held on its behalf by an intermediary on the Canadian register.

Canadian GAAP or C-GAAP means Canadian generally accepted accounting principles.

Canadian Registry means Computershare Investor Services Inc.

Canadian Scheme Participant means a Scheme Participant and any other beneficial owner of Andean Shares who is, for purposes of the Canadian Tax Act and at all relevant times:

- (a) resident or is deemed to be resident in Canada;
- (b) deals at arm's length with Andean and Goldcorp;
- (c) is not affiliated with Andean or Goldcorp; and
- (d) holds Andean Shares, and will hold all New Goldcorp Shares acquired pursuant to the Scheme as capital property.

Canadian Securities Act means the **Securities Act** (Ontario).

Canadian Tax Act means the Income Tax Act (Canada) and the regulations thereunder, as amended from time to time.

Cash Consideration means C\$6.50 in cash for each Andean Share held at the Record Date.

CDS means Canadian Depository Services Inc.

Change in Recommendation means to withdraw, modify or qualify or publicly propose or publicly state that it intends to withdraw, modify or qualify in any manner adverse to Goldcorp the recommendation of the Andean Board that the Shareholders vote in favour of the Merger (except if such change is made (i) because a Goldcorp Material Adverse Change has occurred and is continuing and, as a consequence, the Andean Board has concluded that it would be inconsistent with their fiduciary duties to continue to recommend that Shareholders vote in favour of the resolution to approve the Scheme; or (ii) following the receipt of the report of the Independent Expert where that report states that in the opinion of the Independent Expert the Scheme is not in the best interests of Shareholders (other than where an Acquisition Proposal has been proposed or announced before the report is issued which the Independent Expert may reasonably regard to be on more favourable terms than the transaction contemplated by the Merger Implementation Agreement)) its recommendation that Shareholders vote in favour of the resolution to approve the Scheme.

Cerro Blanco Project means Goldcorp's Cerro Blanco gold-silver project located in Guatemala.

Cerro Negro Project means Andean's Cerro Negro gold-silver project located in Santa Cruz Province, Argentina.

CGT means capital gains tax.

Glossary

Chile Colorado Zone means a zone which comprises a thick band of sulphide mineralisation trending from the southwest to the northeast at the Peñasquito Mine.

CIBC means CIBC World Markets Inc.

CIM or CIM Standards means Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on 20 August 2000.

Code means the Internal Revenue Code of 1986, as amended.

Combined Group means Goldcorp and its Subsidiaries following implementation of the Merger (when Andean will be a Subsidiary of Goldcorp).

Competition Commission has the meaning set out in section 8.6.

Competition Law has the meaning set out in section 8.6.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Federal Court of Australia.

CRA means the Canada Revenue Agency.

Dee/South Arturo Project means Goldcorp's 40% interest in the Dee/South Arturo gold exploration project located in the United States.

Deed Poll means the Deed Poll dated 6 October 2010 executed by Goldcorp, and set out in **Annexure H** to this Scheme Booklet, pursuant to which Goldcorp has, amongst other things, covenanted in favour of Shareholders to perform the obligations contemplated of it under the Scheme.

Deloitte means Deloitte Touche Tohmatsu, ACN 74 490 121 060.

Directors means the directors of Andean.

Effective when used in relation to a Scheme, means the date on which the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme comes into effect of the Scheme pursuant to section 411(10) of the Corporations Act but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective in relation to the Scheme, the date on which the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in relation to the Scheme comes into effect pursuant to section 411(10) of the Corporations Act.

Ejidos means a communal ownership of land recognised by the federal laws in Mexico.

Elected Amount means, in respect of a Canadian Scheme Participant who is an Eligible Holder, an elected amount so as to fully or partially defer realising a capital gain for the purposes of the Canadian Tax Act as a result of the Scheme.

Election means in respect of a Shareholder, an election (or deemed election) to receive the Scheme Consideration as Cash Consideration, Share Consideration, or Mixed Consideration.

Election Deadline means 7.00pm (Sydney time) on 16 December 2010 for registered Shareholders and 7.00pm (Toronto time) on 15 December 2010 for Canadian Beneficial Holders through CDS, or such other date that Goldcorp and Andean agree in writing.

Election Form means the election form enclosed with this Scheme Booklet for the purpose of Shareholders making an Election to receive the Scheme Consideration as Cash Consideration, Share Consideration, or Mixed Consideration.

Éléonore Project means Goldcorp's Éléonore gold project located in Canada.

Eligible Holder means a beneficial owner of Scheme Shares immediately prior to the Effective Date who is:

- (a) a resident of Canada for purposes of the Canadian Tax Act (other than a Tax Exempt Person);
- (b) a partnership any member of which is a resident of Canada for the purposes of the Canadian Tax Act (other than a Tax Exempt Person).

El Morro Project means Goldcorp's El Morro copper-gold project located in Chile.

El Sauzal Mine means Goldcorp's El Sauzal gold mine located in Mexico.

Equity Silver Mine means the former open pit and underground mine located south-east of Houston in north central British Columbia.

Escobal Project means the Escobal silver deposit located in Guatemala that Goldcorp sold to Tahoe.

ESOP means the Andean Employee Share Ownership Plan adopted by the Directors on 27 November 2007.

Eureka means the Eureka deposit within the Cerro Negro Project.

Federal Court of Australia Rules means the Federal Court (Corporations) Rules 2000.

FIRB means the Foreign Investment Review Board.

GHG means greenhouse gas.

Glamis means Glamis Gold Ltd.

Glossary

Goldcorp means Goldcorp Inc.

Goldcorp AIF means the annual information form of Goldcorp for the year ended 31 December 2009 and dated 19 March 2010.

Goldcorp Board means the board of directors of Goldcorp.

Goldcorp Director means a member of the Goldcorp Board.

Goldcorp Group means Goldcorp Inc. and its Related Bodies Corporate as at the date of this Scheme Booklet.

Goldcorp Information means all the information contained in this Scheme Booklet prepared by or on behalf of Goldcorp, including all information in relation to Goldcorp, the Combined Group (including the prospects of risks of the Combined Group), the Scheme Consideration, the New Goldcorp Shares, the letter from the Goldcorp President and sections 2.5, 3 ('Questions about Goldcorp'), 5.2(j) and (l)(i), 5.4(d), 5.5(g)-(h), the additional information as it relates to Goldcorp including sections 11.7, 11.10, 11.11, 11.12, 11.14, 11.18, 11.19 and 11.28(b)-(c), Annexure E (References to Goldcorp's articles of amalgamation and by-laws) and Annexure F, except in each case to the extent that information is based on information provided or prepared by or on behalf of Andean.

Goldcorp Material Adverse Change means specified events which, individually or when aggregated with all such events, have or would reasonably be expected to have the result that the business, operations, prospects, trading or financial position, assets or liabilities of Goldcorp and its Related Bodies Corporate, taken as a whole, are materially adversely affected for a material period of time, but does not include any change, event, occurrence or effect:

- (a) relating to the global economy or securities markets in general;
- (b) affecting the worldwide mining industry in general and which does not have a materially disproportionate effect on Goldcorp and its Related Bodies Corporate, on a consolidated basis;
- (c) relating to change in the market trading prices of shares of Goldcorp arising from:
 - (i) the announcement of the execution of the Merger Implementation Agreement or the transactions contemplated by it; or
 - (ii) primarily resulting from a change, event, occurrence or effect excluded from this definition under (a), (b) or (d);
- (d) resulting from changes in the price of gold, silver or copper;
- (e) relating to the rate at which Canadian dollars can be exchanged for Australian dollars or vice versa;

(f) any matter publicly disclosed on or before the date of the Merger Implementation Agreement (including as a result of disclosures on SEDAR);

(g) in generally accepted accounting policies applicable to Goldcorp or its Related Bodies Corporate;

(h) that is the failure by Goldcorp to meet any public projections, forecasts or estimates of earnings or revenues (it being agreed that the facts and circumstances giving rise to such failure that are not otherwise excluded from the definition of Goldcorp Material Adverse Change may be taken into account in determining whether a Goldcorp Material Adverse Change has occurred); or

(i) occurring directly or indirectly as a result of any matter, event or circumstance required by the Merger Implementation Agreement, the Scheme or the transactions contemplated by them,

provided, however that any such effect referred to above does not primarily relate only to Goldcorp and its Related Bodies Corporate taken as a whole compared to other companies of similar size operating in the mining industry.

Goldcorp Notes has the meaning given in section 7.6(f) of this Scheme Booklet.

Goldcorp Option has the meaning given in section 7.6(c) of this Scheme Booklet.

Goldcorp Prescribed Event means any one of the following:

- (a) **(Conversion)** Goldcorp converts all or any of the Goldcorp Shares into a larger or smaller number of shares.
- (b) **(Reduction of share capital)** Goldcorp resolves to reduce its share capital in any way or reclassifies, combines, or splits its outstanding shares.
- (c) **(Buy-back)** Goldcorp enters into, or resolves to approve the terms of a buy-back agreement.
- (d) **(Distribution)** Goldcorp makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) except for any dividends paid in the normal course.
- (e) **(Issuing or granting shares or options)** Goldcorp or any of its Subsidiaries:
 - issues shares;
 - grants an option over its shares; or
 - agrees to make such an issue or grant such an option,

in each case to a person outside the Goldcorp Group other than:

- as contemplated by the Merger Implementation Agreement or disclosed by Goldcorp to Andean before the date of the Merger Implementation Agreement; or
- the issue of shares or options to acquire shares that do not represent in excess of 25% of the total number of Goldcorp's then-issued and outstanding shares on a fully diluted basis.

(f) **(Securities or other instruments)** Goldcorp or any of its Subsidiaries:

- issues securities or other instruments convertible into shares or debt securities; or
- agrees to issue securities or other instruments convertible into shares or debt securities,

in each case to a person outside the Goldcorp Group other than:

- as contemplated by the Merger Implementation Agreement or disclosed by Goldcorp to Andean before the date of the Merger Implementation Agreement;
- the incurrance of indebtedness by Goldcorp in an amount that does not cause Standard & Poor's to reduce Goldcorp's credit rating below investment grade;
- the issue of shares or securities convertible or exercisable into shares that do not represent in excess of 25% of the total number of Goldcorp's then-issued and outstanding shares on a fully diluted basis; or
- any combination of the foregoing.

(g) **(Constitution)** Goldcorp adopts a new constitution or modifies or repeals its existing constitution or a provision of it.

(h) **(Disposals)** Goldcorp or any of its Subsidiaries disposes, or agrees to dispose of the whole or a substantial part of the Goldcorp Group's business or property.

(i) **(Insolvency)** Goldcorp or any of its material Related Bodies Corporate becomes insolvent.

(j) **(Corporate action)** Goldcorp adopts resolutions or enters into any agreement providing for its liquidation or dissolution or adopts any plan of liquidation.

Goldcorp PSU has the meaning given in **section 7.6(e)** of this Scheme Booklet.

Goldcorp RSU has the meaning given in **section 7.6(d)** of this Scheme Booklet.

Goldcorp Share means a common share in the capital of Goldcorp.

Goldcorp Sub means a wholly-owned Australian subsidiary of Goldcorp with which Andean will merge with pursuant to the Scheme under section 413 of the Corporations Act.

Goldcorp Warrant has the meaning given in **section 7.6(g)** of this Scheme Booklet.

Grant Samuel means Grant Samuel & Associates Pty Limited, ABN 28 050 036 372.

GST means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts of the Commonwealth of Australia.

HIN means holder identifier number.

IACHR means the Inter-American Commission on Human Rights.

IFRS means International Financial Reporting Standards.

Implementation Date means, in relation to the Scheme, the fifth business day (as defined in the ASX Listing Rules) after the Record Date, or such other date as Andean and Goldcorp agree with the consent of ASX if necessary.

Independent Expert means Grant Samuel & Associates Pty Limited, ABN 28 050 036 372.

Independent Expert's Report means the report of Grant Samuel set out in **Annexure A** to this Scheme Booklet.

Independent Investigating Accountant means Deloitte.

Independent Investigating Accountant's Report means the report of Deloitte set out in **Annexure B** to this Scheme Booklet.

Independent Technical Specialist means AMC Consultants.

Independent Technical Specialist's Report means the report of AMC Consultants set out in **Annexure C** to this Scheme Booklet.

Glossary

Ineligible Foreign Shareholder means a Shareholder who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of:

- (a) Australia and its external territories;
- (b) New Zealand;
- (c) the United States; and
- (d) Canada,

or whose address shown in the Share Register is a place outside:

- (e) Australia and its external territories;
- (f) New Zealand;
- (g) the United States; and
- (h) Canada,

or who is acting on behalf of such a person, unless Goldcorp determines that:

- (i) it is lawful and not unduly onerous or unduly impracticable to issue that Shareholder with New Goldcorp Shares pursuant to the Scheme; and
- (j) it is lawful for that Shareholder to participate in the Scheme by the law of the relevant place.

IRS has the meaning given to it in **section 9.3** of this Scheme Booklet.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 edition.

Los Filos Mine means Goldcorp's Los Filos gold-silver mine located in Mexico.

Loss Shareholder has the meaning given to it in **section 9.3** of this Scheme Booklet.

Marigold Mine means Goldcorp's 66⅔% interest in the Marigold gold mine located in the United States.

Marlin Mine means Goldcorp's Marlin gold-silver mine located in Guatemala.

Merger means the acquisition by Goldcorp of all the Andean Shares through the implementation of the Scheme in accordance with the Merger Implementation Agreement.

Merger Implementation Agreement means the Merger Implementation Agreement dated 3 September 2010 between Andean and Goldcorp, the key terms of which are summarised in **Annexure D** to this Scheme Booklet.

Mine Development Associates means Mine Development Associates, Inc.

Mixed Consideration means Scheme Consideration that consists of a combination of Cash Consideration and Share Consideration pursuant to the Scheme Participant's Election Form.

MOE means the Ontario Ministry of the Environment.

Montana means Montana Exploradora de Guatemala S.A. de C.V, a Goldcorp Subsidiary.

Morelos Sur means the Southern part of the Morelos National Mineral Reserve located in Argentina.

Musselwhite Mine means Goldcorp's Musselwhite gold mine located in Canada.

Newcrest means Newcrest Minera Argentina S.A.

New Gold means New Gold Inc.

New Goldcorp Share means a common share in the capital of Goldcorp to be issued under the Scheme.

New Goldcorp Shareholder means a Canadian Scheme Participant or Eligible Holder, who receives New Goldcorp Shares under the Scheme.

Noche Buena Project means Goldcorp's Noche Buena gold-silver project located in Mexico.

Non-Canadian Scheme Participant means a Scheme Participant and any other beneficial owner of Andean Shares who, for purposes of the Canadian Tax Act and at all relevant times:

- (a) has not been and is not resident in Canada or deemed to be resident in Canada at any time while they hold their New Goldcorp Shares received pursuant to the Scheme;
- (b) deals at arm's length with Andean and Goldcorp;
- (c) is not affiliated with Andean or Goldcorp;
- (d) holds all New Goldcorp Shares acquired pursuant to the Scheme as capital property;
- (e) does not carry on an insurance business in Canada and elsewhere; and
- (f) does not use or hold, and is not deemed to use or hold, New Goldcorp Shares in carrying on a business in Canada.

Non-Marketable means a parcel of Shares that is less than a Marketable Parcel, whereby a Marketable Parcel means the number of Shares which in aggregate constitutes a marketable parcel of Shares within the meaning of the ASX Listing Rules.

Non-Objecting Beneficial Shareholders has the meaning given in **section 4.6** of this Scheme Booklet.

Glossary

Notice Record Date means 26 October 2010, being the date for determining which Canadian Beneficial Holders will be provided with the notice of Scheme Meeting, notice of Annual General Meeting and Voting Instruction Form.

NYSE means the New York Stock Exchange.

NYSE Composite Index means the index maintained by Dow Jones Indexes of all the common stocks listed on the NYSE.

OBCA means the *Canada Business Corporations Act* (Canada).

Objecting Beneficial Shareholders has the meaning given in **section 4.6** of this Scheme Booklet.

Option means an unlisted option to subscribe for Andean Shares.

Option Cancellation Deed has the meaning given to it in **section 6.9** of this Scheme Booklet.

Oroplata means Oroplata Pty Ltd, ACN 094 269 191.

Oroplata S.A. means Oroplata S.A., a wholly-owned subsidiary of Oroplata incorporated in Argentina.

Peñasquito Mine is a reference to Goldcorp's Peñasquito gold-silver-lead-zinc mine located in Mexico.

Peñasquito Project is a reference to Goldcorp's Peñasquito gold-silver-lead-zinc mine located in Mexico.

Peñasquito Property means approximately 39,000 hectares located in the north-eastern portion of the State of Zacatecas in north-central Mexico.

PFIC has the meaning given to it in **section 9.3** of this Scheme Booklet.

Porcupine Mine means Goldcorp's Porcupine gold mine located in Canada.

Primero means Primero Mining Corp (TSX: P) (formerly Mala Noche Resources Corp).

Proposed Amendments means all specific proposals to amend the Canadian Tax Act announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Scheme Booklet assuming that all Proposed Amendments will be enacted in the form proposed, although no assurances can be given in this regard.

Proxy Solicitation Agent means Global Proxy Solicitation Limited or Kingsdale Shareholder Services Inc as applicable.

Pueblo Viejo Project means Goldcorp's 40% interest in the Pueblo Viejo gold-silver-copper development stage project located in the Dominican Republic.

QEF has the meaning given to it in **section 9.3** of this Scheme Booklet.

QEF Election has the meaning given to it in **section 9.3** of this Scheme Booklet.

Recognised Overseas Professional Organisation has the meaning given to it in the JORC Code.

Record Date means, in relation to the Scheme, 7.00pm on the fifth Business Day after the Effective Date or such other date as Andean and Goldcorp agree in writing with the consent of ASX if necessary (as at the date of this Scheme Booklet, this day is expected to be 16 December 2010).

Red Lake Gold Mines means Goldcorp's Red Lake gold mines located near the town of Red Lake in north-western Ontario, comprising the Red Lake Complex and the Campbell Complex.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Requisite Majority means in relation to a resolution to be put to a Scheme Meeting, a resolution passed by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Shareholders (as the case may be), who are present and voting, either in person or by proxy, attorney or in the case of a corporation its duly appointed corporate representative; and
- (b) passed by at least 75% of the votes cast on the resolution.

RSU Plan means Goldcorp's restricted share unit plan as described in **section 7.6(d)** of this Scheme Booklet.

S&P/TSX 60 Index means the index maintained by the Canadian S&P Index Committee of the 60 largest companies on the TSX as measured by market capitalisation.

Sale Agent means CIBC being a company appointed by Goldcorp to sell the New Goldcorp Shares that are attributable to Ineligible Foreign Shareholders under the Scheme.

San Dimas Mine means the San Dimas gold-silver mine located in Mexico which was sold by Goldcorp to Primero.

San Martin Mine means Goldcorp's San Martin gold mine located in Honduras (in reclamation).

Scheme means the proposed scheme of arrangement between Andean and Shareholders, set out in **Annexure G** to this Scheme Booklet, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by Andean and Goldcorp.

Scheme Booklet means this scheme booklet.

Glossary

Scheme Consideration means either the Cash Consideration, the Share Consideration or the Mixed Consideration to be provided by Goldcorp to Shareholders for the transfer of each Andean Share under the terms of the Scheme.

Scheme Meeting means the meeting of Shareholders ordered by the Court to be convened and to be held on 3 December 2010 to consider and, if thought fit, to approve the Scheme.

Scheme Participant means each person registered in the Andean Share Register as the holder of Andean Shares at 5.00pm on the Record Date.

Scheme Share means an Andean Share held by a Scheme Participant.

SEC means the US Securities and Exchange Commission.

Second Court Date means the day on which the Court makes an order approving the Scheme pursuant to section 411(4)(b) of the Corporations Act.

Section 85 Election means an election under subsection 85(1) of the Canadian Tax Act or, in the case of a partnership, under subsection 85(2) of the Canadian Tax Act (and the corresponding provisions of any applicable provincial tax legislation) provided all members of the partnership jointly elect with Goldcorp.

Section 85 Notification has the meaning given in section 9.2(d) of this Scheme Booklet.

SEDAR means System for Electronic Document Analysis and Retrieval, the mandatory document filing and retrieval system for Canadian public companies.

Sentient means Sentient Executive GP I, Limited, Sentient Executive GP II, Limited, Sentient Executive GP III, Limited and Sentient (Aust) Pty Ltd.

Shareholder means a person registered in the Share Register as the holder of Andean Shares.

Share Consideration means 0.14 New Goldcorp Shares for every Andean Share held at the Record Date.

Share Register means the register of members of Andean maintained in accordance with the Corporations Act.

Silver Wheaton means Silver Wheaton Corp.

Stock Option Plan means Goldcorp's stock option plan described in section 7.6(c) of this Scheme Booklet.

Subsidiary has the meaning given in the Corporations Act.

Superior Proposal means a written Acquisition Proposal to acquire all or substantially all of the assets of Andean (on a consolidated basis) or, directly or indirectly, all of the Andean Shares:

- (a) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Andean Board, acting in good faith (after receipt of written advice from its financial advisers and legal counsel has been obtained);
- (b) that is reasonably capable of being completed without undue delay, taking into account all legal, regulatory, financial and other aspects of the proposal and the party making the proposal;
- (c) that is not subject to a due diligence condition;
- (d) that is made to all Shareholders of Andean in compliance with applicable securities laws; and
- (e) in respect of which the Directors have determined in good faith, after consultation with, and receiving advice (which may include written opinions) from, as appropriate, the financial, legal and other advisers to Andean to the effect that:
 - (i) such Acquisition Proposal would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable to the Shareholders, from a financial point of view, than the terms of the Merger, taking into account any adjustment to the terms of the Merger that may be proposed by Goldcorp as contemplated by the Merger Implementation Agreement; and
 - (ii) failure to recommend such Acquisition Proposal to Shareholders would be reasonably likely to constitute a breach of the fiduciary duties of the Directors under applicable law.

Tahoe means Tahoe Resources Inc. (TSX: THO).

Tax Exempt Person means a person who is exempt from tax under Part I of the Canadian Tax Act.

Terrane means the Terrane Metals Corp in respect of which Goldcorp controls 58% of its outstanding shares.

Third Party Proposal means, other than the transactions contemplated by the Merger Implementation Agreement, any offer, proposal, expression of interest, or inquiry, whether oral or written, from any person (other than Goldcorp or any of its Affiliates) relating to:

- (a) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of:
 - (i) the assets of Andean and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 10% or more of the fair market value of the consolidated assets of Andean; or
 - (ii) 10% (or 50% in respect of the Break Fee trigger event) or more of any voting or equity securities of Andean or any of its Subsidiaries;
- (b) any takeover bid, tender offer or exchange offer for any class of voting or equity securities of Andean; or
- (c) a scheme of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganisation, recapitalisation, liquidation, dissolution or other similar transaction involving Andean or any of its Subsidiaries.

Thompson Creek means Thompson Creek Metals Company Inc. (TSX: TCM and NYSE: TC).

Total Cash Pool means C\$1 billion, being the maximum total amount of Cash Consideration payable by Goldcorp under the Scheme.

TSX means TMX Group Inc. or, as the context requires, the financial market known as the Toronto Stock Exchange.

TSX Company Manual means the official Toronto Stock Exchange Company Manual published by the TSX.

USEPA means United States Environmental Protection Agency.

US Exchange Act means the United States Securities Exchange Act of 1934, as amended.

US Holder has the meaning given in **section 9.3**.

US Person has the meaning given to it in Regulation S of the US Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.

Vein Zone means the Vein Zone deposit within the Cerro Negro Project.

Voting Instruction Form means the voting instruction form sent to Non-Objecting Beneficial Shareholders from the Canadian Registry seeking voting instructions in relation to their Andean Shares.

Voting Record Date means the date on which Shareholders need to be recorded in the Share Register in order to be entitled to vote at the Scheme Meeting and the Annual General Meeting (as at the date of this Scheme Booklet, this day is expected to be 1 December 2010).

Wharf Mine means Goldcorp's Wharf gold mine located in the United States.

Xstrata means Xstrata Copper Chile S.A., a wholly-owned Subsidiary of Xstrata Plc.

YMAD means Yacimientos Mineros de Agua de Dionisio.

In this Scheme Booklet (other than the Appendices):

- All dates and times are Sydney, New South Wales times unless otherwise indicated.
- Words and phrases not otherwise defined in this Scheme Booklet (excluding the Appendices) have the same meaning (if any) as is given to them by the Corporations Act.
- The singular includes the plural and vice versa. A reference to a person includes a reference to a corporation.
- Headings are for ease of reference only and do not affect the interpretation of this Scheme Booklet.
- A reference to a section is to a section in this Scheme Booklet unless stated otherwise.

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Mining technical glossary



Mining technical glossary

Ag means silver.

Archaean means the earlier of the two divisions of Precambrian time, from approximately 3.8 to 2.5 billion years ago.

"apatite" means a common mineral, calcium fluorophosphate, $\text{Ca}_5\text{F}(\text{PO}_4)_3$, which occurs in crystallised form.

ARD means acid rock drainage.

"arsenopyrite" means a whitish to steel grey coloured arsenian mineral (FeAsS).

Au means gold.

AuEq means gold equivalent.

"biotite" means a very common mineral of the mica group which occurs in dark brown or green or black sheets and scales and is an important part of igneous rocks.

"breccia" means a rock composed of angular fragments of older rocks imbedded in a matrix.

"calcareous" means a substance that contains calcium carbonate.

"carbonate" means a sedimentary rock, comprised largely of mineral containing CO_3 .

"carbon elution" means a method of recovering gold from activated carbon.

"carbon-in-leach" means a recovery process in which a slurry of gold ore, carbon granules and cyanide are mixed together. The cyanide dissolves the gold, which is then absorbed on the carbon. The carbon is subsequently separated from the slurry, and the gold removed from the carbon.

"chalcopyrite" means a very common mineral, copper iron sulphur, CuFeS_2 which occurs in brass-yellow crystals or masses and is an important ore of copper.

Competent Person has the meaning given in the JORC Code.

"cratonic" means part of the Earth's crust that has attained stability, and has been little deformed for a prolonged period.

Cretaceous or **Cretaceous Age** means of or relating to the third and latest of the periods included in the Mesozoic era.

"cyanidation" means a method of extracting exposed gold or silver grains from crushed or ground ore by dissolving it in a weak solution of sodium- or calcium-cyanide. Also known as leaching. May be carried out in agitated tanks or by irrigating ore stacked in large heaps or dumps.

"cm" means centimetre.

"diamond drilling" means a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock that is recovered in long cylindrical sections, an inch in diameter.

"dilution" means waste material not separated from mined ore that was below the calculated economic cut-off grade of the deposit. Dilution results in increased tonnages mined and reduced overall grade of the ore.

"diorite" means a group of plutonic rocks intermediate in composition between acidic and basic.

"dip" means the angle that a geological structure forms with a horizontal surface, measured perpendicular to the strike of the structure.

"doré" means unrefined gold or silver in bullion form.

"electrowinning" means the recovery pure metal from impure concentrates by electrolysis.

"enargite" means a mineral used as a source of copper, consisting of a copper and arsenic sulphide, Cu_3AsS_4 , which occurs as black orthorhombic crystals.

"fault" means a surface or zone of rock fracture along which there has been displacement, from a few centimetres to a few kilometres in scale.

"flotation" means a process by which some mineral particles are induced to become attached to bubbles and float, and other particles to sink, so that the valuable minerals are concentrated and separated from the host rock.

"foliation" means the laminated pattern resulting from the segregation of different minerals into parallel layers or metamorphic processes.

Feasibility Study means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

"g" means gram.

"geosynclines" means multiple mobile warpings of the crust of the Earth, either elongate or basin-like, measured in scores of kilometres, in which sedimentary and volcanic rocks accumulate to thicknesses of thousands of meters.

"ginguro" means fine black disseminated sulphides.

"goethitic" means comprised of goethite, a hydrous oxide mineral of iron.

Mining technical glossary

"grade" means the weight of precious metals in each tonne of ore.

"granodiorite" means a group of coarse-grained plutonic rocks intermediate in composition between quartz diorite and quartz monzonite.

"g/t" means grams per tonne.

"ha" means hectare.

Hatillo Limestone Formation means a formation of limestone in proximity to the Pueblo Viejo Project.

"illite-kaolinite" means a general term for a group of mica-like clays.

Indicated Mineral Resource means:

- (a) for the purposes of the CIM Standards, that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed; and
- (b) for the purposes of the JORC Code, the meaning given in the JORC Code.

Inferred Mineral Resource means:

- (a) for the purposes of the CIM Standards, that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits workings and drill holes; and
- (b) for the purposes of the JORC Code, the meaning given in the JORC Code.

"iron-skarn" means a line bearing silicate derived from nearly pure limestone and dolomite with the introduction of large amounts of silicon, aluminium, iron and magnesium.

"jarositic" means of or related to the yellowish or brownish mineral, $K_2Fe_6(SO_4)_4(OH)_{12}$ which occurs in crystals or large masses.

"k" means kilo (thousand).

"kaolinitic" means comprised of kaolinite, a white or grey clay mineral consisting of hydrated aluminium silicate in triclinic crystalline form.

"kg" means kilogram.

"km" means kilometre.

"komatiitic" means rocks consisting of magnesium-rich ultramafic volcanic rocks of high temperature origin.

"lacustrine" means formed at the bottom or along the shore of lakes as geological strata.

"leach" means gold being dissolved in cyanide solution in heap leaching or in tanks in a processing plant.

"Lerchs-Grossman pit shells" means three dimensional open pit shapes determined by a mathematical method based on a block model of an ore body and determined by the most profitable optimum shape for an open pit.

"longhole mining" means a method of underground mining where long holes are drilled to blast and mine large blocks of ore.

"M" means mega (million).

"m" means metres.

"mafic" means some igneous rocks and their constituent minerals, composed dominantly of the magnesium rock-forming silicates.

"magmatic" means of, pertaining to, or derived from, magma, naturally occurring molten rock.

Measured Mineral Resource means:

- (a) for the purposes of the CIM Standards, that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity; and
- (b) for the purposes of the JORC Code, the meaning given in the JORC Code.

Mesozoic means the era or rocks comprising the Triassic, Jurassic and Cretaceous periods or systems.

"metallurgy" means the science of extracting metals from ores by mechanical and chemical processes and preparing them for use.

“mg” means milligram.

“mill” means a plant where ore is crushed and ground to expose metals or minerals of economic value, which then undergo physical and/or chemical treatment to extract the valuable metals or minerals.

“mine” means an excavation in the earth for the purpose of extracting minerals. The excavation may be an open pit on the surface or underground workings.

Mineral Reserve means, for the purposes of the CIM Standards, the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.

Mineral Resource means:

- (a) for the purposes of the CIM Standards, a concentration or occurrence of natural, solid, inorganic or fossilised organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories; and
- (b) for the purposes of the JORC Code, the meaning given in the JORC Code.

“mineralisation” means rock containing minerals or metals of potential economic interest.

“monzonite” means any of a group of granular igneous rocks intermediate in composition between syenite and diorite.

“Moz” means million ounces.

Net Smelter Return or **NSR** means the revenues expected from the mill feed, taking into consideration mill recoveries, transport costs of the concentrate to the smelter, treatment and refining charges, and other deductions at the smelter.

NI 43-101 means National Instrument 43-101 – *Standards of Disclosure of Mineral Projects of the Canadian Securities Administrators*.

“open pit” means a surface working pit open to daylight, such as a quarry.

“ore” means a natural aggregate of one or more minerals which, at a specified time and place, may be mined and sold at a profit, or from which some part may be profitably separated.

“Ore Reserve” has the meaning given in the JORC Code.

“oxide ore” means mineralised rock on which some of the original minerals, usually sulphide, have been oxidised. Oxidation tends to make the ore more porous and permits a more complete permeation of cyanide solutions so that minute particles of gold in the interior of the minerals will be readily dissolved.

“ounce” or **“oz”** is a unit of weight equal to 31.1 grams.

“phenocrysts” means large crystals or mineral grains floating in the matrix or groundmass of a porphyry.

“pillar” means a column of rock remaining after mining.

“plutonic” means pertaining to igneous rocks formed at great depths.

Polo chic means a fault system near the Marlin Mine.

Porphyric means pertaining to porphyry.

“potassic” means of, pertaining to, or containing potassium.

Probable Mineral Reserve means, for the purposes of the CIM Standards, the economically mineable part of an Indicated Mineral Resource and, in some circumstances, a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Probable Ore Reserve has the meaning given in the JORC Code.

Proved/Proven Mineral Reserve means, for the purposes of the CIM Standards, the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

“pyrite” means an iron-bearing sulphide mineral, chemical composition FeS₂.

“pyroclastic” means composed chiefly of fragments of volcanic origin, as agglomerate, tuff and certain other rocks.

Mining technical glossary

Qualified Person means a person who conforms to that definition under NI 43-101 for an individual: (i) to be an engineer or geoscientist with at least five years experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; (ii) with experience relevant to the subject matter of the mineral project and the technical report; and (iii) is a member in good standing of a professional association that, among other things, is self-regulatory, has been given authority by statute, admits members based on their qualifications and experience, requires compliance with professional standards of competence and ethics and has disciplinary powers to suspend or expel a member.

Quaternary means of the most recent geological period or succession of strata, which constitutes the last principal division of the Cainozoic era.

“reverse circulation” means a drilling method whereby air or drilling fluid passes inside the drill stem to the bit and returns to the surface carrying rock chips.

replacement ore means one of the three types of mineralisation encountered at Red Lake Gold Mines.

replacement zone means a zone of mineralisation at Red Lake Gold Mines consisting of replacement ore.

ROM means run of mine and pertains to the ore that has been mined but not crushed.

“sericite” means a mineral, similar in composition to muscovite which occurs in small scales.

“sphalerite” means a very common mineral, zinc sulphide, ZnS. which usually containing some iron and a little cadmium. It occurs in yellow, brown or black crystals or cleavable masses with a resinous lustre.

“stockwork” means a network of veinlets, usually containing quartz.

“sulphide” means a compound of sulphur with a metallic element.

“syn-volcanic” means formed together with rocks which are characteristic of, pertaining to, situated in or upon, formed in, or derived from volcanoes.

“t” means metric tonne.

“t/a” means tonnes per annum.

“tailing” means the residue of any product.

“tholeiitic” means of, pertaining to, or derived from tholeiite, a silica-oversaturated basalt.

“tonne” means a metric tonne, being 1,000 kilograms (2,205 pounds).

Triassic means the geological period that extended from about 250 to 200 million years ago.

TSF means tailings storage facility.

“turbidic” means of, pertaining to, or derived from a sediment or rock deposited from, or inferred to have been deposited from, a turbidity current.

Uchi Subprovince means a Neoarchean volcanic sub-province of the larger Superior Province of the Canadian Shield.

“ultramafic” means a rock which contains less silica than 45% of silica.

“volcaniclastic” means a type of rock that forms as the result of extrusive volcanic activity.

“W” means watts.

4P deposit means a deposit that is part of the Los Filos Mine.

4P sector means the mineralised zones located to the west and southwest of the main Los Filos pit.

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Independent Expert's Report



Annexure A: Independent Expert's Report

GRANT SAMUEL



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11 October 2010

The Directors
Andean Resources Limited
200 West Civic Center Drive,
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Sandy, UT

Dear Directors

Proposed Acquisition by Goldcorp Inc

1 Introduction

Andean Resources Limited ("Andean") is an Australian gold company listed on the Australian Stock Exchange ("ASX") and the Toronto Stock Exchange ("TSX"). Andean's main asset is a 100% interest in the Cerro Negro gold project, an epithermal gold-silver deposit under development in the Santa Cruz province of Argentina. As of 5 October 2010, Andean had a market capitalisation of approximately \$3.5 billion.

On 3 September 2010, Andean and Goldcorp Inc ("Goldcorp") announced that the companies had entered into an agreement whereby Goldcorp would acquire all of the outstanding shares of Andean via a scheme of arrangement ("Proposal"). Under the Proposal, Goldcorp would acquire all the outstanding shares in Andean on the basis of 0.14 Goldcorp shares per Andean share (the "Share Consideration") or C\$6.50 in cash per Andean share (the "Cash Consideration"). Based on the Cash Consideration, the Proposal values Andean's equity at approximately C\$3.6 billion (on a fully diluted basis). The total cash to be paid out under the Cash Consideration is subject to a maximum of C\$1 billion ("Cash Cap"). Andean shareholders have the option to receive cash or shares or any combination of cash and shares subject to the Cash Cap.

Andean's largest shareholder, Sentient Executive GP II and its related entities ("Sentient"), which currently holds approximately 20.5% of the outstanding Andean shares, has entered into a call option agreement with Goldcorp in relation to 107,909,316 shares or approximately 19.7%¹ of the outstanding Andean shares. The call option is exercisable in the period starting on 31 March 2011 and ending on 30 April 2011 and the exercise price is equal to the Share Consideration (subject to any adjustments to the capital of Andean before the option is exercised).

Goldcorp is the world's second largest gold company by market capitalisation, seventh largest in terms of reserves and sixth largest in terms of production. Goldcorp has a portfolio of producing, development and exploration gold assets spanning North, Central and South America. The company is based in Vancouver, Canada, and is listed on the New York Stock Exchange ("NYSE") and the TSX. As of 5 October 2010, Goldcorp had a market capitalisation of approximately US\$33 billion.

The Proposal will require the approval of Andean shareholders.

The directors of Andean have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Proposal is in the best interests of Andean shareholders and to state reasons for that opinion. A copy of the report will accompany the Notice of Meeting and Explanatory Memorandum ("the Scheme Booklet") to be sent to shareholders by Andean and will be available on the ASX and Andean websites. This letter contains a summary of Grant Samuel's opinion and main conclusions.

¹ Based on the number of shares on issue at the date of the Scheme Booklet.

Annexure A: Independent Expert's Report

GRANT SAMUEL



2 Summary of Opinion

Grant Samuel has valued Andean in the range \$5.89-6.85 (C\$5.89-6.85) per share. On the basis of recent Goldcorp share prices in the range C\$43.00-47.00, Grant Samuel has attributed a value of \$6.02-6.58 (C\$6.02-6.58) per Andean share to the Share Consideration. The value attributed to the Share Consideration falls within the valuation range for Andean. The Cash Consideration of \$6.50 (C\$6.50) per share falls within the valuation range. Accordingly, in Grant Samuel's view, the Proposal is fair and is therefore also reasonable. Grant Samuel has therefore concluded that the Proposal is in the best interests of Andean shareholders.

Andean shareholders should understand that the value of the Share Consideration could change, potentially significantly, as a result of changes in the gold price, exchange rates or the operational prospects for the assets of Goldcorp and Andean, or for other reasons. More information in relation to these risks is set out below in this letter and in the detailed report of which this letter is a summary.

3 Key Conclusions

- Grant Samuel has valued Andean in the range \$5.89-6.85 per share.

Andean has been valued in the range US\$3,115-3,625 million, which corresponds to a value of \$5.89-6.85 per share at an exchange rate of A\$1.00 = US\$0.96. The valuation represents the estimated full underlying value of Andean and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Andean shares to trade on the ASX in the absence of a takeover offer.

The valuation is summarised below:

Andean - Valuation Summary ²				
	Value Range			
	US\$ million		A\$ million	
	Low	High	Low	High
Cerro Negro Project	2,900	3,400	3,021	3,542
Corporate costs (net of savings)	(60)	(50)	(63)	(52)
Enterprise value	2,840	3,350	2,958	3,490
Net cash as at 30 June 2010 ³	275	275	286	286
Value of equity	3,115	3,625	3,245	3,776
Shares on issue (million)	548.5	548.5	548.5	548.5
Value per share	5.68	6.61	5.92	6.88
Fully diluted shares on issue (millions)	551.7	551.7	551.7	551.7
Value per share fully diluted for options	5.65	6.58	5.89	6.85

The valuation reflects evidence as to value derived from the gold futures methodology, discounted cash flow analysis, comparable company analysis and valuation benchmarks commonly used in the gold sector.

Grant Samuel appointed AMC Consultants Pty Ltd ("AMC") as technical specialist to review Andean's gold assets. AMC's role included a review of reserves and resources, development plans, production schedules, operating costs, capital costs and exploration potential. AMC also prepared valuations of AMC's exploration interests. AMC's report is attached to Grant Samuel's report.

² Numbers might not add due to rounding.

³ The net cash number as at 30 June 2010 has been adjusted for the proceeds of the August 2010 capital raising.

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Grant Samuel's financial analysis was based on valuation scenarios prepared in conjunction with AMC, reflecting AMC's judgements regarding the range of assumptions as to ultimate mining inventory, mine life, capital costs and operating costs that could reasonably be adopted for valuation purposes. The valuation adopted a gold price assumption in the range of US\$1,280-1,320 per ounce, a silver price assumption in the range US\$21.00-22.00 per ounce, a spot Australian dollar/United States dollar exchange rate of A\$1.00=US\$0.96 and United States inflation rates increasing from current consensus estimates to long term rates of 2.5% per annum. The financial models projected United States dollar denominated cash flows from 1 July 2010 onwards. Present values were estimated using a range of discount rates.

The valuation is based on a number of important assumptions, including assumptions regarding gold prices, silver prices, exchange rates and future operating performance. Gold prices, silver prices, exchange rates and expectations regarding future operating performance can change significantly over short periods of time. Such changes can have significant impacts on underlying value.

- **The key valuation judgement relates to the total amount of gold that will ultimately be mined from Cerro Negro.**

Cerro Negro is in the early stages of its development. Its current reserves contain approximately 2.2 million ounces of gold. However, the prospectivity of the project area remains high and it appears likely that the ultimate mining inventory will be substantially greater than current reserves. There is the potential to convert resources to reserves within currently defined orebodies. Recent drilling results suggest that it is highly likely that additional resources and reserves will be defined within known areas of mineralisation for which resources have not yet been defined. Moreover, there appear to be good prospects for the discovery of new areas of mineralisation within the project area.

Grant Samuel's valuation reflects two valuation scenarios, recommended by AMC, that contemplate the ultimate mining of between 4.2 and 5.7 million ounces of contained gold. Accordingly, the valuation incorporates very significant upside, including what could arguably be described as "blue sky" potential. In this sense the valuation of the Cerro Negro project is essentially judgemental. Although drilling results and other data gathered to date support the assumptions made, the degree of uncertainty surrounding the mining inventory is inherently greater than for a project for which the mining inventory consists largely of reserves or well understood resources. There is significant downside risk to the mining inventory estimates upon which the valuation is based. Conversely, it is conceivable that the amount of gold ultimately recovered at Cerro Negro could greatly exceed current expectations and the assumptions made in the valuation cases.

The valuation of Cerro Negro also considers project related risks including risks relating to permitting, development and commissioning and Argentinean sovereign risk. The valuation reflects a conclusion that these risks, while real, should be manageable and are unlikely to have a material adverse impact on the value of the project.

- **Grant Samuel has valued the Share Consideration in the range \$6.02-6.58 per Andean share and the Cash Consideration is \$6.50 per Andean share.**

Grant Samuel has assessed the current value of the Share Consideration under the Proposal at \$6.02-6.58 (C\$6.02-6.58) per Andean share based on an estimated market value of Goldcorp shares of C\$43.00-47.00. This range compares to a closing Goldcorp share price on 5 October 2010 of C\$44.84. Grant Samuel has assumed a Canadian dollar/Australian dollar exchange rate of A\$1.00 = C\$1.00.

Grant Samuel believes that it is reasonable to adopt this range for reasons including the following:

- the range of C\$43.00-47.00 reflects the most recent share market trading in Goldcorp shares. It represents the market's current assessment of the trading value of Goldcorp;

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G R A N T S A M U E L

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- while the range implies high multiples of reserves and production, Goldcorp has historically traded on high multiples. Analysis of Goldcorp's production costs and expected growth in production indicates that there are good reasons for Goldcorp's shares to trade at premium multiples;
- Goldcorp is followed by numerous brokers. The Goldcorp share price range adopted by Grant Samuel is materially below the majority of the brokers' target prices for Goldcorp. It is difficult to infer any clear evidence as to the likely trading range for Goldcorp shares from the brokers' price targets. However, the analysis of the brokers' price targets suggests that the consensus view of brokers would be that Goldcorp's current share trading range is at worst sustainable;
- there have been reasonable volumes of trading in Goldcorp shares since the announcement of the Proposal; and
- analysis of the combined Goldcorp and Andean is relatively straightforward and there is no reason to believe that market participants are materially mis-pricing the effect of the combination of Goldcorp and Andean.

The value of the Share Consideration will vary with movements in the Goldcorp share price and the Australian dollar/Canadian dollar exchange rate. The actual value received by Andean shareholders could therefore ultimately exceed or be less than \$6.02-6.58 per Andean share.

Based on a Canadian dollar/Australian dollar exchange rate of A\$1.00 = C\$1.00, the Cash Consideration is \$6.50 (C\$6.50) per Andean share.

- **The Proposal is fair and reasonable.**

The value attributed by Grant Samuel to the Share Consideration of \$6.02-6.58 per share falls within Grant Samuel's valuation range for Andean. The Cash Consideration of \$6.50 per share falls within the valuation range. Accordingly, the Proposal is fair and therefore also reasonable.

Moreover, the structure of the Proposal provides Andean shareholders with optionality because they can vary the amount of cash they choose to receive depending on the Goldcorp share price as at the time they elect between the Share Consideration and Cash Consideration. The value of this optionality will depend, amongst other factors, on the Goldcorp share price at the time of election and may vary depending upon the specific circumstances of individual shareholders. Grant Samuel has not attributed any separate value to this optionality.

The value of the Cash Consideration expressed in Australian dollars will vary with the Australian dollar/Canadian dollar exchange rate. Because of Goldcorp's exposure to gold, copper and other metals, the value of the Share Consideration expressed in Australian dollars will vary with movements in gold, copper and other metals prices, exchange rates and other factors. However, the underlying value of Andean should move broadly in line with the value of the Share Consideration as gold and silver prices and exchange rates move.

Based on the volume weighted average price for Goldcorp shares for various periods prior to the announcement of the Proposal, the consideration represents a significant premium to the Andean pre announcement share prices:

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GRANT SAMUEL

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Proposal – Implied Premiums at Announcement (2 September 2010)						
Date/Period	Andean (\$)	Goldcorp (\$)	Premium	Premium on Share Consideration		Prem. on Cash Consideration
				\$6.02	\$6.58	\$6.50
Pre-announcement price	4.89	48.16	38%	23%	35%	33%
1 day VWAP	4.91	48.04	37%	23%	34%	32%
5 days VWAP	4.85	49.05	42%	24%	36%	34%
1 month VWAP	4.36	46.15	48%	38%	51%	49%
3 month VWAP	3.80	48.00	77%	58%	73%	71%

Source: Bloomberg and Grant Samuel analysis

Note: Premia based on Cash Consideration of C\$6.50 and an exchange rate of C\$1.00 = \$1.00 on 1 October 2010 giving an implied consideration of \$6.50 per Andean share.

The Share Consideration implies a premium to Andean's VWAP before the announcement of the Proposal in the range 23-38% at the lower end and 35-51% at the higher end, excluding the premium to the three month VWAP. The premium to the three month VWAP is materially higher, with Andean shares trading at much lower prices prior to the announcement of drilling results at Cerro Negro in mid-July. Given that Andean shareholders will hold only approximately 7-9% in the Combined Group, the proposed transaction is clearly a change of control transaction. The premium being paid by Goldcorp is broadly consistent with premiums in the range of 20-35% typically paid in the case of change of control transactions.

- **The key risks of the Proposal for Andean shareholders relate to the market performance of Goldcorp shares and to the different risk profile of Goldcorp (versus Andean).**

Goldcorp's shares are trading at reserve and production multiples that are generally at the top end of the range of reserve and production multiples of its peer group. Goldcorp's low production costs and expected strong growth in low cost production suggest that there are good reasons for Goldcorp's premium rating, but there is a risk that some change in market perception could result in a re-rating and, potentially, a decline in Goldcorp's share price.

Goldcorp operates in jurisdictions in Central and South America in which the level of sovereign risk is likely to be broadly similar to or higher than that of Argentina. However, between 67% and 80% (depending on the parameter considered) of Goldcorp's resources, reserves and 2009 production are attributable to mines and projects that are located in North America, where sovereign risk is considered to be lower than in Argentina.

Moreover, the breadth of Goldcorp's asset portfolio means that Goldcorp has the benefit of natural risk diversification (while recognising that Andean shareholders can also achieve risk diversification through portfolio allocation decisions). Consequently, it appears reasonable to conclude that an investment in Goldcorp is less exposed to sovereign risk than an investment in Andean. Similarly, while Goldcorp is exposed to the same kinds of mine development and operating risks as those to which Andean is exposed, Goldcorp enjoys the risk diversification benefits of a large portfolio of projects (many of which are in operation and therefore no longer subject to development risk) as well as the financial and human resources of a senior gold producer.

Overall, the risk characteristics of Goldcorp should be well understood by analysts and investors and should be reflected in the Goldcorp share price. However, any extreme manifestation of operating or sovereign risks could have a material adverse effect on the Goldcorp share price. The extent of this effect could be exacerbated by a market re-assessment of the premium rating (on the basis of reserve and production multiples) that Goldcorp shares currently enjoy.

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- **Analysis of other factors reinforces the conclusion that the Proposal is in shareholders' best interests.**

Other important factors that Andean shareholders should consider are:

- the Proposal was the outcome of a competitive process whereby Andean and its advisers conducted discussions with a select group of potential suitors following the receipt of an unsolicited proposal from a third party;
- until the Scheme is approved, there is nothing to prevent a counter bidder from making a superior proposal (although Goldcorp has the right to match any superior proposal, which may reduce the likelihood of a counter bidder coming forward);
- in the absence of a higher offer from a third party before the Scheme Meeting, it will be reasonable to conclude that the Proposal represents the highest value currently realisable for Andean. On one view this would by definition mean that the Proposal represents full underlying value and is fair and reasonable;
- Sentient, which holds approximately 20.5% of the outstanding shares in Andean, has advised Andean that it intends to vote its shares in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert's continuing conclusion that the Proposal is in the best interests of shareholders;
- in the absence of the Proposal, shareholders would be unlikely in the short term to realise the value delivered by the Proposal (assuming the continuation of current market conditions) through selling their Andean shares in the ordinary course of share market trading;
- the Proposal provides increased diversification for Andean shareholders in terms of both assets and geographic exposure;
- Grant Samuel's judgement is that sovereign risk has limited impact on the underlying value of Andean's assets. Shareholders of Andean who believe that Argentinean sovereign risk is a significant issue that materially affects the value of Andean and its assets would presumably take a less positive view than Grant Samuel on the overall value of Andean, which would tend to reinforce the conclusion that the Proposal is in shareholders' best interests. (On the other hand, Andean shareholders should understand that Goldcorp's operations are not completely immune from the impact of sovereign risk); and
- given that Andean shareholders will hold an interest in Goldcorp of no more than approximately 7-9%, the exposure of Andean shareholders to the potential upside in Cerro Negro will be heavily diluted. However, Andean shareholders will gain exposure to Goldcorp's portfolio of growth assets, some of which are located in Argentina and other South American countries.

4 Other Matters

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Andean shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Andean in relation to the Proposal.

Voting for or against the Goldcorp Proposal is a matter for individual shareholders, based on their own views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Goldcorp Proposal should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell securities in Andean or Goldcorp. This is an investment decision upon which Grant Samuel does not offer an opinion and is

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independent of a decision on whether to vote for or against the Proposal. Shareholders should consult their own professional adviser in this regard.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included at the beginning of the full report.

This letter is a summary of Grant Samuel's opinion. The full report from which this summary has been extracted is attached and should be read in conjunction with this summary.

The opinion is made as at the date of this letter and reflects circumstances and conditions as at that date.

Yours faithfully

GRANT SAMUEL & ASSOCIATES PTY LIMITED

(Signed)



**Financial Services Guide
and
Independent Expert's Report
in relation to the Proposal by Goldcorp Inc
to acquire Andean Resources Limited**

Grant Samuel & Associates Pty Limited
(ABN 28 050 036 372)

11 October 2010

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Financial Services Guide

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for Andean Resources Limited ("Andean") in relation to the proposal from Goldcorp Inc ("Goldcorp") ("the Andean Report"), Grant Samuel will receive a fixed fee of \$700,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 8.3 of the Andean Report).

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the Report.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 October 2007. The following information in relation to the independence of Grant Samuel is stated in Section 8.3 of the Andean Report:

"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Andean or Goldcorp that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposal.

Grant Samuel had no part in the formulation of the Proposal. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$700,000 for the preparation of this report. This fee is not contingent on the outcome of the Proposal. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 October 2007."

Grant Samuel has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, No. 11929. If you have any concerns regarding the Andean Report, please contact the Compliance Officer in writing at Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Financial Ombudsman Service at GPO Box 3 Melbourne VIC 3001 or 1300 780 808. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act, 2001.

Grant Samuel is only responsible for the Report and this FSG. Complaints or questions about the Disclosure Document should not be directed to Grant Samuel which is not responsible for that document. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.

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1 Terms of the Proposal¹

Andean Resources Limited ("Andean") is an Australia gold company listed on the Australian Stock Exchange ("ASX") and Toronto Stock Exchange ("TSX"). Andean's main asset is a 100% interest in the Cerro Negro gold project, a epithermal gold-silver deposit under development in the Santa Cruz province of Argentina.

On 3 September 2010 (Perth time), Eldorado Gold Corporation ("Eldorado") announced that on 31 August 2010 (Perth time), it had made a proposal to the Andean Board to combine the two companies on the basis of 0.310 Eldorado shares per Andean share ("Eldorado Proposal"). The Eldorado Proposal followed an earlier proposal made by Eldorado on 18 August 2010 that had been rejected by the board of Andean. Based on Eldorado's closing share price on 2 September 2010, the Eldorado Proposal valued Andean at C\$6.36 per share or C\$3.5 billion. Eldorado announced that it had withdrawn the Eldorado proposal on 8 September 2010 (Perth time).

On 3 September 2010, Andean and Goldcorp Inc ("Goldcorp") announced that the companies had entered into an agreement whereby Goldcorp would acquire all of the outstanding shares of Andean. Goldcorp is the world's second largest gold company by market capitalisation, seventh largest in terms of reserves and six largest in terms of gold production. It is active throughout North America, Central and South America. As of 2 September 2010, Goldcorp had a market capitalisation of over US\$33 billion.

Under the agreement, Goldcorp would acquire all the outstanding shares in Andean on the basis of 0.14 Goldcorp shares per Andean share (the "Share Consideration") or C\$6.50 in cash per Andean share (the "Cash Consideration") ("Proposal"). Based on the Cash Consideration, the Proposal values Andean's equity at approximately C\$3.6 billion (on a fully diluted basis). The total cash to be paid out under the Cash Consideration is subject to a maximum of C\$1 billion ("Cash Cap"). Andean shareholders have the option to receive cash or shares or any combination of cash and shares subject to the Cash Cap.

Based on Goldcorp's closing share price on 2 September 2010, the Share Consideration of C\$6.47 per share represented a 35% premium to Andean's closing share price on the TSX on 2 September 2010 and a 56% premium to Andean's 20 day volume weighted average share price ("VWAP") on the TSX as at the same date.

The Proposal is to be implemented by way of a Scheme of Arrangement ("Scheme"). The Proposal has been unanimously approved by the Board of Andean in the absence of a superior proposal and all the Andean directors intend to vote in favour of the Scheme in respect of the Andean shares they hold.

Andean's largest shareholder, Sentient Executive GP II and its related entities ("Sentient"), which currently holds approximately 20.5% of the outstanding Andean shares, has entered into a call option agreement with Goldcorp in relation to 107,909,316 shares or approximately 19.7%² of the outstanding Andean shares based on the number of shares on issue at the date of the Scheme Booklet. The call option is exercisable in the period starting on 31 March 2011 and ending on 30 April 2011 and the exercise price is equal to the Share Consideration (subject to any adjustments to the capital of Andean before the option is exercised). Sentient has indicated it will vote its shares in Andean in favour of the Proposal, in the absence of a superior proposal and subject to an independent expert concluding that the Proposal is in the best interest of Andean shareholders, and continuing to conclude that the Proposal is in the best interest of Andean shareholders. Sentient has not indicated whether it will elect to accept the Share Consideration or a combination of the Cash Consideration and Share Consideration.

Andean and Goldcorp have agreed to use their best efforts to procure that all Andean options are to be exercised, cancelled or acquired by Goldcorp or exchanged for Goldcorp options.

The conditions to the Proposal include:

¹ All date references represent North American Eastern Time unless otherwise stated.

² Based on the number of shares on issue at the date of the Scheme Booklet.

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- Australian Foreign Investment Review Board (“FIRB”) approval;
- all necessary regulatory approvals;
- approval from the Federal Court of Australia;
- Andean shareholder approval;
- all necessary third party consents;
- determination by an independent expert that the Proposal is in the best interests of Andean shareholders;
- no Andean or Goldcorp prescribed event before the second court date;
- no Andean material adverse change before the second court date;
- TSX and the New York Stock Exchange approval of the quotation of the Goldcorp shares to be issued under the Scheme; and
- no breach of any representations or warranties before the second court date.

Andean has agreed to pay Goldcorp a break fee equal to 1% of the aggregate of the total consideration offered by Goldcorp pursuant to the Proposal in certain circumstances. Andean is also subject to normal provisions that prevent it from soliciting or encouraging competing proposals but do not prevent Andean from considering or negotiating an unsolicited proposal that is or may constitute a superior proposal (as it is defined in the agreements). Goldcorp has certain rights to be notified of and to match any superior proposal.

All references to \$ are Australian dollars unless otherwise stated.

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2 Scope of the Report

2.1 Purpose of the Report

The Proposal is to be implemented by a scheme of arrangement under Section 411 of the Corporations Act, 2001 ("Corporations Act") between Andean and its shareholders ("the Scheme"). Under Section 411 the Scheme must be approved by a majority in number (i.e. at least 50%) of each class of shareholders present and voting (either in person or by proxy) at the meeting, representing at least 75% of the votes cast on the resolution. If approved by Andean shareholders, the Scheme will then be subject to approval by the Federal Court of Australia.

Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement has a prescribed shareholding in the company subject to the scheme, or where any of its directors are also directors of the company subject to the scheme. In those circumstances, the independent expert's report must state whether the scheme of arrangement is in the best interests of shareholders subject to the scheme and must state reasons for that opinion.

Although there is no requirement in the present circumstances for an independent expert's report pursuant to the Corporations Act or the Australian Securities Exchange ("ASX") Listing Rules, the directors of Andean have engaged Grant Samuel & Associates Pty Limited ("Grant Samuel") to prepare an independent expert's report setting out whether, in its opinion, the Proposal is in the best interests of Andean shareholders and to state reasons for that opinion. A copy of the report will accompany the Notice of Meeting and Explanatory Memorandum ("the Scheme Booklet") to be sent to shareholders by Andean and will be available on the ASX and Andean websites.

This report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Andean shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by Andean in relation to the Proposal.

Voting for or against the Proposal is a matter for individual shareholders based on their views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. Shareholders who are in doubt as to the action they should take in relation to the Proposal should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in Andean, Goldcorp or the merged entity. This is an investment decision independent of a decision to vote for or against the Proposal upon which Grant Samuel does not offer an opinion. Shareholders should consult their own professional adviser in this regard.

2.2 Basis of Evaluation

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, "in the best interests" must be capable of a broad interpretation to meet the particular circumstances of each transaction. However, there is no legal definition of the expression "in the best interests".

The Australian Securities & Investments Commission ("ASIC") has issued Regulatory Guide 111 which establishes guidelines in respect of independent expert's reports. ASIC Regulatory Guide 111 differentiates between the analysis required for control transactions and other transactions. In the context of control transactions (whether by takeover bid, by scheme of arrangement, by the issue of securities or by selective capital reduction or buyback), it comments on the meaning of "fair and reasonable" and continues earlier regulatory guidelines that created a distinction between

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“fair” and “reasonable”. A proposal that, under takeover analysis, was “fair and reasonable” or “not fair but reasonable” would be in the best interests of shareholders. For most other transactions the expert is to weigh up the advantages and disadvantages of the proposal for shareholders. This involves a judgement on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the proposal and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposal and form an overall view as to whether the shareholders are likely to be better off if the proposal is implemented than if it is not.

The Proposal is economically the same as a takeover offer of Andean. Accordingly, Grant Samuel has evaluated the Proposal as a control transaction and considered whether the offer is “fair and reasonable”.

The term “fair and reasonable” has no legal definition although over time a commonly accepted interpretation has evolved. In the context of a takeover, an offer is considered fair and reasonable if the price fully reflects the value of a company's underlying businesses and assets. ASIC Regulatory Guide 111 distinguishes between “fair” and “reasonable”. Fairness is said to involve a comparison of the offer price with the value that may be attributed to the securities that are the subject of the offer based on the value of the underlying businesses and assets. In determining fairness any existing entitlement to shares by the offeror is to be ignored. Reasonableness is said to involve an analysis of other factors that shareholders might consider prior to accepting a takeover offer such as:

- the offeror's existing shareholding;
- other significant shareholdings;
- the probability of an alternative offer; and
- the liquidity of the market for the target company's shares.

A takeover offer could be considered “reasonable” if there were valid reasons to accept the offer notwithstanding that it was not “fair”.

Fairness is a more demanding criteria. A “fair” offer will always be “reasonable” but a “reasonable” offer will not necessarily be “fair”. A fair offer is one that reflects the full market value of a company's businesses and assets. A takeover offer that is in excess of the pre-bid market prices but less than full value will not be fair but may be reasonable if shareholders are otherwise unlikely in the foreseeable future to realise an amount for their shares in excess of the bid price. This is commonly the case in takeover offers where the bidder already controls the target company. In that situation the minority shareholders have little prospect of receiving full value from a third party offeror unless the controlling shareholder is prepared to sell its controlling shareholding.

Grant Samuel has determined whether the Proposal is fair by comparing the estimated underlying value range of Andean with the offer price. The Proposal will be fair if it falls within the estimated underlying value range. In considering whether the Proposal is reasonable, the factors that have been considered include:

- the likelihood of an alternative offer and alternative transactions that could realise fair value;
- the likely market price and liquidity of Andean shares in the absence of the Proposal; and
- other advantages and disadvantages for Andean shareholders of approving the Proposal.

A proposal that, under takeover analysis, was “fair and reasonable” or “not fair but reasonable” would be in the best interests of shareholders.

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2.3 Sources of the Information

The following information was utilised and relied upon, without independent verification, in preparing this report:

Publicly Available Information in relation to Andean

- the Scheme Booklet (including earlier drafts);
- annual reports of Andean for the three years ended 30 June 2010;
- feasibility study of the Cerro Negro project;
- short form prospectus dated 4 August 2010;
- press releases, public announcements, media and analyst presentation material and other public filings by Andean including information available on its website;
- brokers' reports and recent press articles on Andean and the gold industry;
- economic and industry reports about Argentina and the Argentinean mining industry; and
- sharemarket data and related information on Australian and international listed companies engaged in the gold industry and on acquisitions of companies and businesses in this industry.

Non Public Information provided by Andean

- cash flow models containing the feasibility study and mine develop plans for the Cerro Negro project; and
- other confidential documents, board papers, presentations and working papers.

Grant Samuel has held discussions with Andean's management team and financial advisers, and has visited the site of the Cerro Negro project in Argentina.

Publicly Available Information in relation to Goldcorp

- annual reports of Goldcorp for the five years ended 30 June 2010;
- press releases, public announcements, media and analyst presentation material and other public filings by Goldcorp including information available on its website; and
- brokers' reports and recent press articles on Goldcorp.

Grant Samuel has not had access to non public information (including financial and operational information) for Goldcorp and no discussions were held with the senior management of Goldcorp.

2.4 Limitations and Reliance on Information

Grant Samuel believes that its opinion must be considered as a whole and that selecting portions of the analysis or factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary.

Grant Samuel's opinion is based on economic, sharemarket, business trading, financial and other conditions and expectations prevailing at the date of this report. These conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, the opinion could be different in these changed circumstances.

This report is also based upon financial and other information provided by Andean and its advisers. Grant Samuel has considered and relied upon this information. Andean has represented in writing to Grant Samuel that to its knowledge the information provided by it is complete and

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not incorrect or misleading in any material aspect. Grant Samuel has no reason to believe that any material facts have been withheld.

The information provided to Grant Samuel has been evaluated through analysis, inquiry and review to the extent that it considers necessary or appropriate for the purposes of forming an opinion as to whether the Proposal is in the best interests of Andean shareholders. However, Grant Samuel does not warrant that its inquiries have identified or verified all of the matters that an audit, extensive examination or “due diligence” investigation might disclose. While Grant Samuel has made what it considers to be appropriate inquiries for the purposes of forming its opinion, “due diligence” of the type undertaken by companies and their advisers in relation to, for example, prospectuses or profit forecasts, is beyond the scope of an independent expert. In this context, Grant Samuel advises that:

- it did not have access to non-public information (including financial and operational information) for Goldcorp;
- it is not in a position nor is it practicable to undertake its own “due diligence” investigation of the type undertaken by accountants, lawyers or other advisers; and
- it has therefore relied on the contents of the public reports (specifically the opinions expressed therein) such as the Investigating Accountant's Report prepared by Deloitte Touche Tohmatsu on the combination of Goldcorp and Andean via the Proposal.

Accordingly, this report and the opinions expressed in it should be considered more in the nature of an overall review of the anticipated commercial and financial implications rather than a comprehensive audit or investigation of detailed matters.

An important part of the information used in forming an opinion of the kind expressed in this report is comprised of the opinions and judgement of management. This type of information was also evaluated through analysis, inquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Preparation of this report does not imply that Grant Samuel has audited in any way the management accounts or other records of Andean or Goldcorp. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles and in a manner consistent with the method of accounting in previous years (except where noted).

AMC Consultants Pty Ltd (“AMC”) was appointed to provide specialist technical advice to Grant Samuel and to prepare a specialist's technical assessment report in relation to the Cerro Negro project and Andean's other exploration interests. AMC's review included a review of the reserves, development plans, production schedules, operating costs, capital costs, potential reserve extensions and exploration activities. AMC also prepared valuations of Andean's exploration interests. The report prepared by AMC is attached to and forms part of this report.

The information provided to Grant Samuel and AMC included mine development plans, forecasts and feasibility studies for Andean's key assets. Andean is responsible for the information contained in the mine development plans, forecasts and feasibility studies (“the forward looking information”). Grant Samuel and AMC have considered and, to the extent deemed appropriate, relied on this information for the purpose of their analysis.

On the basis of the information provided to Grant Samuel and AMC, and the review conducted by Grant Samuel and AMC of such information, Grant Samuel and AMC have concluded that the forward looking information was prepared appropriately and accurately based on the information available to management at the time and within the practical constraints and limitations of such forward looking information. Grant Samuel and AMC have concluded that the forward looking information does not reflect any material bias, either positive or negative. Grant Samuel has no reason to believe otherwise. However, the achievability of the forward looking information is not warranted or guaranteed by Grant Samuel. Future profits and cash flows are inherently uncertain.

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They are predictions by management of future events that cannot be assured and are not necessarily based on assumptions, many of which are beyond the control of the company or its management. Actual results may be significantly more or less favourable. Moreover, the forward looking information provided by Andean was not originally generated for, and may not be appropriate in the context of, a valuation of the assets of Andean.

Accordingly, AMC conducted a detailed review of the significant assumptions and technical factors underlying the forward looking information provided by Andean to AMC and Grant Samuel. This review included a review of the basis on which resources and reserves have been estimated, a review of likely future operating and capital costs, a review of likely future gold recovery rates, a review of the potential for the conversion of resources to reserves and the potential to mine mineralisation not currently in reserves, a review of environmental factors and such other reviews as AMC deemed appropriate. Having regard to these reviews, AMC made independent judgements regarding the technical assumptions that can reasonably be adopted for the purposes of the valuation of the gold assets of Andean ("technical valuation assumptions").

As part of its analysis, Grant Samuel has developed cash flow models on the basis of the technical valuation assumptions deemed appropriate by AMC. Grant Samuel has reviewed the sensitivity of net present values to changes in key variables. The sensitivity analysis isolates a limited number of assumptions and shows the impact of the expressed variations to those assumptions. No opinion is expressed as to the probability or otherwise of those expressed variations occurring. Actual variations may be greater or less than those modelled. In addition to not representing best and worst case outcomes, the sensitivity analysis does not, and does not purport to, show all the possible variations to the assets. The actual performance of the assets may be negatively or positively impacted by a range of factors including, but not limited to:

- changes to the assumptions other than those considered in the sensitivity analysis;
- greater or lesser variations to the assumptions considered in the sensitivity analysis than those modelled; and
- combinations of different assumptions may produce outcomes different to those modelled.

In forming its opinion, Grant Samuel has also assumed that:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Scheme Booklet sent by Andean to its shareholders is complete, accurate and fairly presented in all material respects;
- the publicly available information relied on by Grant Samuel in its analysis was accurate and not misleading;
- the Proposal will be implemented in accordance with its terms; and
- the legal mechanisms to implement the Proposal are correct and will be effective.

To the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations, and policies, Grant Samuel assumes no responsibility and offers no legal opinion or interpretation on any issue.

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3 Profile of Andean

3.1 Background

Andean was incorporated as Kanowna Consolidated Gold Mines NL (a public company) in Western Australia under the *Corporations Act 2001 (Commonwealth)* in June 1994. In December 2003, Andean acquired Attfield Pty Limited ("Attfield"). Attfield's key asset was an option to acquire a 51% interest in Oroplata Pty Ltd ("Oroplata"). Oroplata had a farm-in agreement with MIM Holdings Ltd ("MIM") to earn a 49% interest in the Cerro Negro Project by spending US\$2.5 million on exploration as well as pre-emptive rights to acquire MIM's remaining interest in the Cerro Negro Project.

In December 2003, MIM received an offer to acquire its interest in the Cerro Negro Project. Oroplata exercised its pre-emptive rights through a payment of US\$1.5 million and expended the US\$2.5 million in exploration to acquire a 100% interest in the Cerro Negro Project. After completing the acquisition of Attfield, Andean exercised the option to acquire 51% of Oroplata. Andean acquired the remaining shares in Oroplata through an off-market takeover in June 2004.

Events including and following the acquisition of the Cerro Negro project are summarised as follows:

Andean – Key Events	
Date	Event
Dec 2003	Acquired Attfield including option over Cerro Negro project
Jan 2004	Oroplata acquired a 100% interest in the Cerro Negro project
Jun 2004	Changed name to Andean Resources Limited
Jul 2004	Completed takeover of remaining interest in Oroplata
Feb 2006	Off-market takeover offer from Kingsgate Consolidated Gold Mines Limited ("Kingsgate")
May 2006	Announced maiden resource at Cerro Negro
Jul 2006	Kingsgate takeover offer expired with Kingsgate taking up a 22% interest in Andean
Apr 2007	Andean listed on TSX
Oct 2007	Kingsgate sold its interest in Andean
Oct 2008	Completed pre-feasibility study based on Vein Zone and Eureka West deposits
Jul 2010	Completed feasibility study based on Eureka, Bajo Negro and Vein Zone deposits
Aug 2010	Completed C\$235 million capital raising

Source: Andean

Andean has defined resources in three deposits within the Cerro Negro project, namely the Eureka, Vein Zone and Bajo Negro deposits. Andean is also investigating other prospects within the project area including Mariana Central, San Marcos, Mariana Norte, Mariana Sur and Silica Cap. In addition, Andean has exploration interests located outside the Cerro Negro project area but within the Santa Cruz province including Las Mellizas, La Esperanza, San Agustin and Mancha Blanca.

The map displays the Cerro Negro region in Chile, spanning the Chubut and Santa Cruz provinces. Key locations include San José, Cerro Negro, San Agustín, La Esperanza, Las Mollizas, Mina Martha, Manantial Escondido, Cerro Vanguardia, Cerro More, Macha Blanca, and Hualde. The map also shows the Rio Trunco and Rio Colorado. A legend indicates various mining projects: CPISA Mineral Licenses (shaded area), Cerro Silver Mine or Development - Stage Project (star symbol), Advanced Exploration - Stage Project (diamond symbol), Cerro Silver Mine (circle symbol), Cerro Silver Mine (square symbol), Cerro Silver Mine (triangle symbol), Cerro Silver Mine (circle symbol), Cerro Silver Mine (square symbol), Cerro Silver Mine (triangle symbol), Cerro Silver Mine (circle symbol), Cerro Silver Mine (square symbol), Cerro Silver Mine (triangle symbol). An inset map shows the location of the study area within South America.

The Cerro Negro project is described in Section 4 of this report.

3.2 Overview of the Mining Industry in Argentina

Argentina's economy has recovered from the collapse in 2001-2002 and is now relatively strong, mainly as a result of strong exports and the successive governments' expansionary policies. It survived the recent global financial crisis better than most and is expected to grow at up to 8% in 2010 according to independent economists. Argentina's main exports are soybeans and derivatives, petroleum and gas, vehicles, corn and wheat, with precious and base metals making a growing contribution.

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This history of economic mismanagement has eroded the confidence of debt and equity capital markets and suggests sovereign risk is an important consideration when investing in the country. It should be noted however that the government is considering returning to the debt markets.

Political and social tensions are relatively commonplace. Although the current government is in control given the absence of a strong opposition and the popularity of the President Cristina Fernandez de Kirchner has been increasing in recent months, the political situation could become more volatile as the opposition-dominated National Congress challenges the President ahead of the 2011 presidential election. Political and administrative decisions at the national and provincial levels, including environmental permit approvals for mining projects, are subject to uncertainty as they can be driven by objections from even small groups of people.

The Argentinean government is generally supportive of the mining sector as it has the potential to boost the economy and reduce its heavy dependence on the public sector. The government already allows 100% foreign ownership and the repatriation of profits. The country is likely to have a very large mineral endowment, although mining has only emerged as a significant contributor to the economy following the implementation of investor friendly mining laws in 1993. Since then, mining production and exports have increased substantially, driven in particular by the development of the Cerro Vanguardia gold and silver mine, the Alumbraera gold and copper mine, the gold and silver Veladero mine and the Fenix lithium mine. There are currently 17 operating mines and eight projects at various stages of development, most of which are owned by foreign companies. Some of the projects, such as the Pascua-Lama gold and silver project, are world class, multi-billion dollar projects. However, despite the government's support and the existence of a 1993 stability agreement guaranteeing no changes to the tax regime for 30 years, the government unilaterally decided in January 2008 to withdraw the export tax exemptions that had been granted to mining companies. More generally, Argentinean governments have been known to renege on agreements without warning or consent.

The Santa Cruz Province, where the Cerro Negro project is located, appears to be generally supportive of mining activities. Projects are subject to the approval of an Environmental Impact Report by the Mining Secretary of the Province and the granting of a number of related permits by various provincial and national government bodies. The 1997 development of the Cerro Vanguardia gold and silver mine, located approximately 250 kilometres southeast of Cerro Negro, was the first major mine development in Argentina following the implementation of the new mining laws. The Province has since approved the development of at least three silver and gold mines in the broader Cerro Negro region.

The Cerro Negro project will be subject to the following taxes:

- export tax on gold and silver revenue of 4.76%, deductible for income tax purposes;
- Santa Cruz provincial tax of 1% on gold and silver revenue, net of the export tax, operating costs, processing costs and refining charges;
- corporate tax rate of 35%; and
- no withholding taxes on repatriation of profits.

Furthermore, Andean has committed to contributing 1% of its after tax profit towards a sustainable development fund for local communities.

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3.3 Financial Performance

The financial performance of Andean for the four years ended 30 June 2010 is summarised below:

Andean – Financial Performance ³ (\$ 000's)				
	Year ended 30 June			
	2007	2008	2009	2010
Sundry income	24	3	-	-
EBITDA⁴	(5,131)	(11,621)	(7,745)	(18,497)
Depreciation and amortisation	(42)	(12)	(13)	(34)
EBIT⁵	(5,173)	(11,633)	(7,758)	(18,531)
Net interest revenue/(expense)	345	651	521	258
Income tax credit/(expense)	-	-	-	-
Net profit after tax	(4,828)	(10,982)	(7,237)	(18,273)
<i>Basic earnings per share (cents)</i>	<i>(1.55)</i>	<i>(3.01)</i>	<i>(1.80)</i>	<i>(3.93)</i>

Source: Andean

Andean's financial performance reflects the fact that Andean's Cerro Negro project is currently under development and the company's other assets are at early stages of exploration. The Cerro Negro project is not expected to commence production and thus generate any revenue until the September 2012 quarter. The income generated in 2007 represented a profit on sale of investments in equity securities and in 2008 a profit on the sale of data. Expenses over the last four years primarily relate to administration and corporate costs. Most of the costs associated with the Cerro Negro project are capitalised.

The increase in costs in 2010 was in part the result of an exchange rate loss of \$4.2 million in 2010 in comparison to a \$2.7 million profit in 2009. The exchange rate impact arises as Andean's substantial cash reserves are held in foreign currencies. General administration and corporate cost also increased in 2010, reflecting the development of the Cerro Negro Project.

³ Andean's financial accounts have been prepared in accordance with Australian equivalents of International Financial Standards ("AIFRS").

⁴ EBITDA is earnings before net interest, tax, depreciation and amortisation.

⁵ EBIT is earnings before net interest, tax.

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3.4 Financial Position

The financial position of Andean at 31 December 2009 and 30 June 2010 is summarised below:

Andean – Financial Position ⁶ (\$ 000's)		
	As at 31 December 2009	As at 30 June 2010
Receivables	2,097	3,518
Payables and provisions	(5,000)	(13,038)
Net working capital	(2,903)	(9,520)
Exploration and evaluation assets	56,901	72,380
Property, plant and equipment	5,432	16,405
Other assets (net)	6,111	8,820
Total funds employed	65,541	88,085
Cash and cash equivalents	87,165	62,474
Equity attributable to Andean shareholders	152,706	150,559
<i>Net assets per share – fully paid shares (cents)</i>	32.6	31.9
<i>NTA⁷ per share – fully paid shares (cents)</i>	32.6	31.9

Source: Andean

Andean's financial position reflects the company's current focus on exploration and development.

Exploration and evaluation assets represent the capitalised costs of acquiring licenses, exploration and development relating to the Cerro Negro project. Once the technical feasibility and commercial viability of the project are confirmed, these assets will be transferred to property plant and equipment. Exploration and evaluation assets are subject to impairment testing whereas property, plant and equipment are depreciated.

Other assets primarily represent a non current tax credit. It also includes a provision for future cost of site rehabilitation based on the estimated present value of expected future costs.

Andean has no debt as the company has relied solely on equity capital to fund activities to date. Andean had a cash balance of \$62.5 million as at 30 June 2010, but raised an additional C\$224 million (estimated, net of costs) through an institutional public market capital raising in August 2010.

⁶ Prepared in accordance with AIFRS.

⁷ NTA is net tangible assets, which is calculated as net assets less intangible assets.

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3.5 Cash Flow Statement

The cash flow statement of Andean for the four years ended 30 June 2010 is summarised below:

Andean – Cash Flows* (\$ 000's)				
	Year ended 30 June			
	2007	2008	2009	2010
EBITDA	(5,131)	(11,621)	(7,745)	(18,497)
Net interest income	345	651	521	258
Non cash items	1,403	5,038	2,248	7,160
Change in working capital	(829)	253	(4,255)	(4,015)
Cash flows from operations	(4,212)	(5,679)	(9,230)	(15,094)
Proceeds from the sale of investments	24	-	-	-
Payment for property, plant and equipment	(371)	(1,264)	(777)	(14,712)
Payment for exploration expenditure	(4,885)	(12,416)	(23,171)	(15,798)
Cash flows from investing	(5,232)	(13,680)	(23,948)	(30,510)
Proceeds from the issue of shares (net of costs)	17,508	49,614	1,303	99,912
Cash flows from financing	17,508	49,614	1,304	99,912
Net cash flows	8,064	30,255	(31,875)	54,308
<i>Cash - bop</i>	<i>3,963</i>	<i>10,722</i>	<i>37,654</i>	<i>13,598</i>
<i>Exchange rate movements</i>	<i>(1,305)</i>	<i>(3,323)</i>	<i>7,820</i>	<i>(5,432)</i>
<i>Cash - eop</i>	<i>10,722</i>	<i>37,654</i>	<i>13,598</i>	<i>62,474</i>

Source: Andean

The cash flow statement illustrates the investments Andean has made in working capital, property plant and equipment and exploration over the last four years and the funding of this investment through equity capital raisings.

3.6 Taxation Position

Under the Australian tax consolidation regime, Andean and its wholly owned Australian resident entities have elected to be taxed as a single entity.

At 30 June 2010, Andean had a total of approximately \$16.1 million of carried forward tax losses, none of which was recognised on the balance sheet. These losses comprised:

- Australia - carried forward income tax losses of approximately \$14.3 million (gross amount) and \$1.1 million carried forward capital tax losses;
- United States – no carried forward tax losses; and
- Argentina – carried forward tax losses of AR\$2.4 million. At an exchange rate of US\$1.00=AR\$3.95, Andean's Argentinean tax losses total US\$0.6 million.

As at 30 June 2010, Andean had no franking credits in Australia.

3.7 Capital Structure and Ownership

As at 5 October 2010, Andean had the following securities on issue:

- 548,450,367 ordinary shares on issue; and
- 3,233,440 unlisted options over unissued ordinary shares summarised as follows:

⁸ Prepared in accordance with AIFRS.

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Andean – Options on Issue as at 5 October 2010			
Expiry Date	Exercise Price	Options Issued	Options Vested
14 July 2011	\$0.70	2,000,000	2,000,000
2 June 2012	\$1.60	250,000	250,000
31 July 2012	\$0.75	500,000	-
5 July 2017	C\$2.82	300,000	300,000
29 July 2017	C\$3.41	146,740	-
22 August 2017	C\$4.06	26,700	-
Total		3,223,440	2,550,000

Source: Andean

In reviewing the above table the following should be noted:

- the 31 July 2012 options will vest if certain performance goals are achieved by 31 December 2010 such as the acquisition of a particular parcel of land and the receipt of the Cerro Negro environmental permits;
- the 29 July 2017 and 22 August 2017 options are subject to time restrictions such that by 29 July 2014 and 22 August 2014 respectively all of these options will have vested;
- the 31 July 2012, 29 July 2017 and 22 August 2017 options vest upon a change of control; and
- included in the 29 July 2017 options are 106,260 options that have been awarded but the granting of which is subject to shareholder approval.

Each option on issue is exercisable into one ordinary Andean share and until such exercise has no dividend entitlement or voting right.

At 5 October 2010, there were 2,728 registered shareholders in Andean. The top ten shareholders accounted for approximately 54% of the ordinary shares on issue:

Andean – Major Shareholders as at 5 October 2010		
	Number of Shares	Percentage
Sentient Group	112,638,698	20.5%
Goodman & Company	42,687,734	7.8%
UBS	35,100,773	6.4%
RBC Asset Management	19,352,372	3.5%
Geologic Resource Partners	19,327,303	3.5%
Fidelity	16,954,638	3.1%
Tocqueville Asset Management	15,271,500	2.8%
Oppenheimer Funds	13,068,100	2.4%
Van Eck Associates	11,676,020	2.1%
Colonial First State	8,828,267	1.6%
Subtotal – Top 10 Shareholders	294,905,405	53.8%
Other Shareholders	253,554,962	46.2%
Total	548,450,367	100.0%

Source: Andean

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Andean has received notices from the following substantial shareholders:

Andean – Substantial Shareholders as at 5 October 2010 ⁹				
Shareholder	Date of Notice	Number of Shares	Percentage	
Sentient and related bodies corporate	8 Sep 2010	112,638,698	20.5%	
Goldcorp ¹⁰	3 Sept 2010	107,909,316	19.7%	
Dundee Corporation and its related bodies corporate	6 Sept 2010	42,687,734	7.8%	
UBS AG and its related bodies corporate	29 Sep 2010	35,100,713	6.4%	

Source: Andean

3.8 Share Price Performance

Andean's shares are listed on the ASX and TSX. Its share trading history since 1 January 2005 on the ASX is summarised in the following table:

Andean - Share Price History on the ASX					
	Share Price (\$)			Average Weekly Volume (000's)	Average Weekly Transactions
	High	Low	Close		
Year ended 31 December					
2005	0.30	0.08	0.30	5,440	133
2006	0.47	0.23	0.34	4,244	178
2007	2.24	0.33	2.24	3,471	370
2008	2.22	0.43	1.10	1,430	580
2009	2.72	0.78	2.60	2,831	1,491
Quarter ended					
31 March 2010	2.90	2.24	2.67	1,527	1,494
30 June 2010	3.58	2.76	3.37	2,084	2,133
30 September 2010	7.19	3.06	6.34	6,988	3,440

Source: IRESS

Its share trading history since listing on the TSX is summarised in the following table:

Andean - Share Price History on the TSX					
	Share Price (C\$)			Average Weekly Volume (000's)	Average Weekly Transactions
	High	Low	Close		
Year ended 31 December					
2007 (from 16 May 2007)	2.05	0.56	1.81	545	101
2008	1.98	0.40	0.95	473	81
2009	2.75	0.65	2.40	2,355	1,116
Quarter ended					
31 March 2010	2.76	2.10	2.56	2,281	2,354
30 June 2010	3.42	2.53	3.08	3,765	5,633
30 September 2010	7.33	2.71	6.25	26,202	17,998

Source: Bloomberg

⁹ The number of shares and percentage interest is at the time of notice except Sentient's number of shares and percentage interest which represents Sentient's current number of shares and percentage interest, as disclosed in Andean's 2010 Annual report.

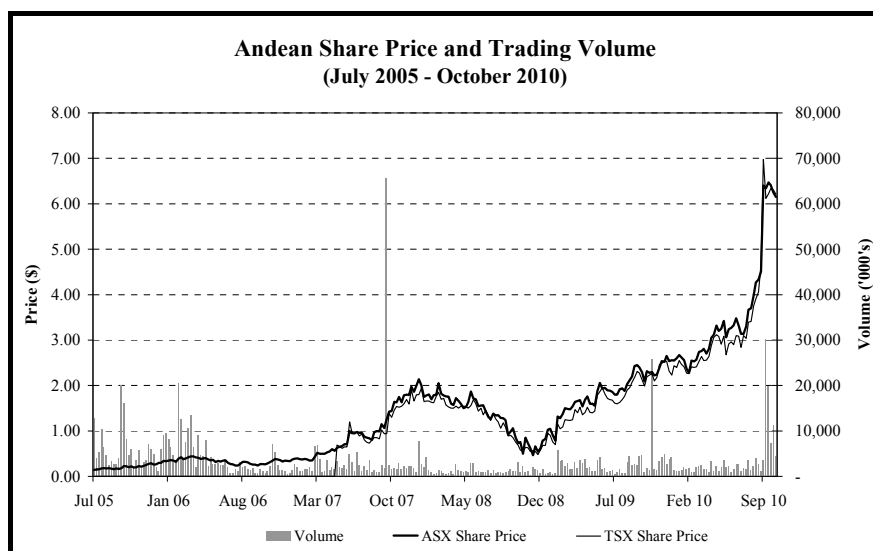
¹⁰ Results from the call option with Sentient in connection with the Proposal.

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The following graph illustrates the movements in the Andean share price (ASX and TSX) and trading volumes (ASX) since 1 July 2005:



Source: Bloomberg

From 1 July 2005 to the day prior to the announcement of the Eldorado Proposal, Andean shares traded from around \$0.14 per share to \$5.04 per share on the ASX and from C\$0.40 per share to C\$4.95 per share on the TSX. Over this period, Andean announced a maiden resource at Cerro Negro (15 May 2006) as well as subsequent resource upgrades and new discoveries. In August 2008, Andean published a pre-feasibility study on Cerro Negro and in July 2010 Andean published a feasibility study on Cerro Negro. Overall, during this period Cerro Negro has progressed from an early-stage exploration project to a project nearing the construction phase.

The significant increase in Andean's share price from May 2007 reflected its drilling success, new vein studies, listing on the TSX, advancement of the Cerro Negro project and the sale of Kingsgate's interest in Andean. The share price fell over 2008 as the broader market declined in response to the global financial crisis.

Since 1 December 2008, Andean's share price has steadily increased. On the ASX it has increased from \$0.62 per share to \$4.89 per share and on the TSX from C\$0.54 per share to C\$4.81 per share on the day prior to the announcement of the Eldorado Proposal. Over this period, Andean has increased the size and quality of the resources at Cerro Negro. It has also confirmed the technical and commercial viability of the project and obtained some of the permits required for its development, thereby effectively reducing development risk.

In August 2010, Andean raised C\$234.5 million (approximately \$250 million) before expenses through a capital raising to primarily North American institutional shareholders whereby 70 million shares were issued at a price of C\$3.35 per share, a 3.5% discount to Andean's TSX closing share price on 22 July 2010 (the date the capital raising was priced).

Andean's volume weighted average price ("VWAP") on the ASX for various periods prior to the announcement of the Eldorado Proposal and the Proposal on 3 September 2010 is summarised in the following table:

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Andean – VWAP at Announcement (2 September 2010)				
Period	ASX		TSX	
	VWAP (\$)	Premia of Cash Consideration to the VWAP	VWAP (C\$)	Premia of Cash Consideration to the VWAP
1 Day	4.91	38%	4.78	36%
5 Day	4.85	39%	4.64	40%
1 Month	4.36	55%	4.07	60%
3 Month	3.80	78%	3.61	80%

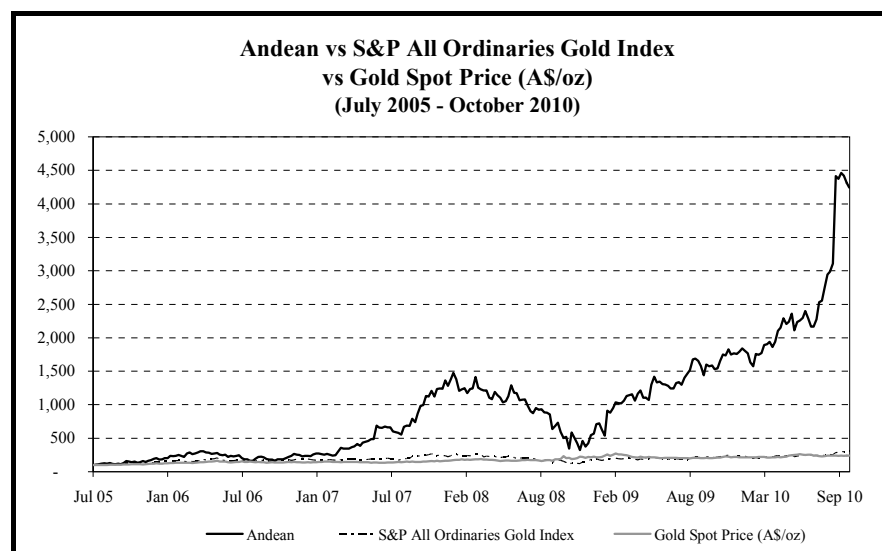
Source: Bloomberg

Note: Premia based on Cash Consideration of C\$6.50 and an exchange rate of C\$1.00 = \$1.04 on 2 September 2010 giving an implied consideration of \$6.76 per Andean share.

Since the announcement of the Eldorado Proposal and the Proposal, Andean's share price has increased significantly such that it is now trading at a significant premium to its VWAP before the announcement of the proposals but at a slight discount to the Cash Consideration and Share Consideration.

Andean is Australia's second largest gold company (by market capitalisation). It is a constituent of a number of indices including the All Ordinaries Index and S&P/ASX Gold Index with weightings of approximately 0.26% and 7.0% respectively on 4 October 2010. Andean is also included in the S&P/TSX Global Gold Index and S&P/TSX Global Mining index with weightings of approximately 1.0% and 0.33% respectively on 4 October 2010.

The following graph illustrates the performance of Andean's shares since 1 July 2005 relative to the S&P All Ordinaries Gold Index and the gold spot price expressed in Australian dollars:



Source: Bloomberg

Andean's share price has significantly outperformed the S&P All Ordinaries Gold Index and Australian dollar gold price over the period. This outperformance largely reflects Andean's progression from an early-stage gold exploration company towards a company with a gold project ready for development.

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4 Profile of the Cerro Negro Project

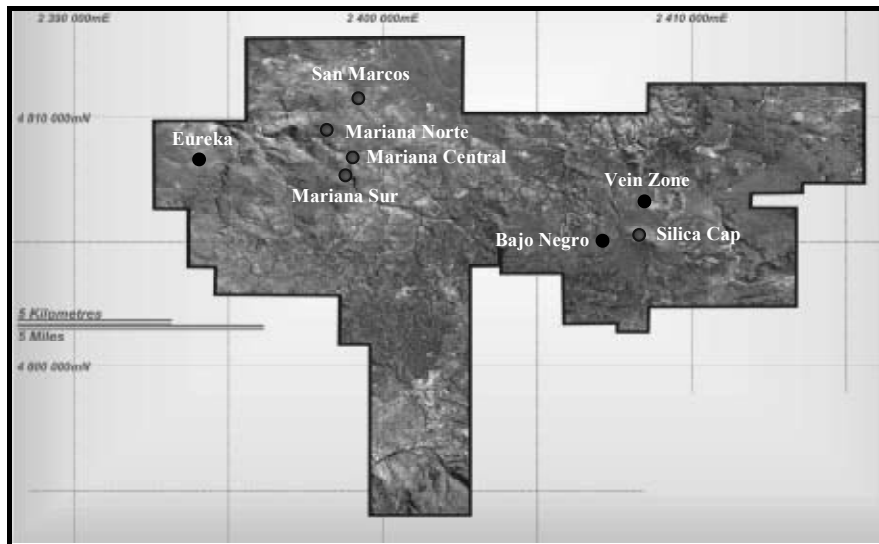
4.1 Overview

The Cerro Negro Project is located on the low level Patagonian plains in the southern Argentinean province of Santa Cruz, at an elevation of approximately 600 metres above sea level. It is approximately 110 kilometres from the provincial town of Las Heras and 345 kilometres southwest of the main regional centre of Comodoro Rivadavia, which has port and airport facilities.

The area is semi-arid and has a cold and windy climate, with temperatures falling well below zero in winter. The topography consists mostly of rolling hills, which provides flexibility in terms of location of the process plant, tailings storage facility and key infrastructure.

No historical mining has occurred on site although there are a number of operating mines in the region, including the San Jose silver and gold mine located 25 kilometres north of the Cerro Negro project. The potential for gold mineralisation at Cerro Negro was first identified by an Argentine prospector in 1992. A number of exploration campaigns by subsequent owners took place before Andean began its exploration programme in March 2005.

Mineralisation at Cerro Negro occurs as low-sulphidation epithermal gold and silver deposits. Andean has delineated resources and reserves at Eureka, Bajo Negro and Vein Zone and is undertaking exploration at a number of targets, including Mariana Central, San Marcos, Mariana Norte, Mariana Sur and Silica Cap. The location of the areas of interest within the Cerro Negro tenement is shown on the map below:



Source: Andean

A prefeasibility study based on the mining of Eureka and the Vein Zone was completed in December 2008. A bankable feasibility study was commissioned in March 2009 and was completed in July 2010. It was based on indicated resources at Eureka, Bajo Negro and the Vein Zone. The scope did not include Mariana Central, San Marcos, Mariana Norte, Mariana Sur and Silica Cap because they were only discovered in late 2009.

The feasibility study confirmed the viability of the project and recommended a number of optimisations including:

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- the addition of incremental resources at Eureka and Vein Zone and new resources at the Bajo Negro deposit (discovered in May 2009);
- earlier processing of the relatively higher grade Eureka deposit prompted by the discovery of the high grade zone in March 2007, mining of the Bajo Negro deposit and deferral of mining of the Vein Zone; and
- decrease in the initial capacity of the processing plant.

The feasibility study contemplates gold production starting in mid-2012 and production totalling 2.0 million ounces of gold and 17.7 million ounces of silver over a 10-year life. Mining would first occur at Eureka followed, five years later, by the simultaneous mining of the Bajo Negro and Vein Zone. The key operating statistics of the feasibility study are summarised as follows:

Cerro Negro – Feasibility Study Results					
	Years 1 -4	Year 5	Years 6 - 9	Year 10	Total
Scheduling	Eureka - -	Eureka Bajo Negro Vein Zone	- Bajo Negro Vein Zone	- - Vein Zone	
Annual plant throughput (000's tonnes)	675	754	895	313	
Gold recovery (%)	95	95	95	95	95
Silver recovery (%)	86	86	86	86	86
Annual gold production (000's ounces)	252	266	156	65	1,962
Annual silver production (000's ounces)	3,206	3,332	345	153	17,689
Cash costs net of silver credits (US\$/oz) ¹¹	53	86	383	222	168

Source: Andean

The feasibility study estimated initial capital expenditure at US\$275 million. Ongoing capital costs were estimated at US\$109 million and included capital expenditure for the development of the Bajo Negro and Vein Zone mines and the expansion of the processing plant and infrastructure. Closure costs were estimated at US\$25 million.

Mariana Central, San Marcos and Mariana Norte were identified in late 2009. Andean completed reverse circulation and diamond drilling, which has returned very positive results with high gold and silver grade intercepts over significant widths, including bonanza grades at Mariana Central. Andean believes that these deposits could contribute to a significant increase in Cerro Negro's mining inventory and support low-cost production for a number of years. Andean is progressing work at these deposits and hopes to release maiden resource estimates early in 2011. The mining of these deposits is likely to impact the mining schedule contemplated in the feasibility study.

4.2 Geology and Mineralisation

Gold silver veins at Cerro Negro are contained within the western part of the Deseado Massif, a 60,000 square kilometre block extending from the Atlantic Coast to the east to the Andean Cordillera to the west. Mineralisation occurs as low-sulphidation epithermal gold and silver deposits hosted within quartz veins and associated stockworks. The vein systems are located within and on the periphery of a breached dome or in its eruptive core. The vein systems normally strike northwest to west-northwest. High gold and silver grades are usually associated with dark grey fine-grained sulphide bands.

The Eureka vein system is believed to be close to the eruptive centre of the dome. The Eureka resource is defined over a strike length of about 1.5 kilometres, has an average width of 9.5 metres and is open at depth.

¹¹ Assumes a silver price of US\$14.00 per ounce. Cash costs excludes export tax of 4.76% on gold and silver revenue.

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Bajo Negro has a strike length of 1.2 kilometres, a vertical extent of up to 300 metres and an average true width of 3.9 metres. Mineralisation mainly occurs in a single vein with minor splits. Bajo Negro contains relatively much lower silver grades than Eureka. Bajo Negro is open along strike.

The Vein Zone consists of a complex system of veins and breccia zones, is defined over a strike length of 500 metres and a vertical extent of 400 metres and has a true width of up to 80 metres. Gold is associated with oxidised pyrite and manganese oxide.

The Mariana Central, San Marcos and Mariana Norte veins are clustered together next to the planned haulage road linking the Eureka complex and the preferred site for the processing plant.

At Mariana Central, results include the highest grade results to date at the Cerro Negro project. Recent drill results largely confirm Andean's previous expectations of Mariana Central as one continuous high-grade ore shoot of about 620m that is open to depth. The core mineralisation is confirmed for over 770 meters along strike, 170 meters down dip and appears to plunge 5 to 8 degrees to the west. On both the western and eastern extents, the dip of the vein flattens to approximately 45 degrees north and narrows (west) or forms multiple splays (east). Gold and silver grades are generally equivalent to those of the Eureka vein although bonanza grades have been identified over large widths. Drilling at Mariana Central is ongoing.

The San Marcos vein system is interpreted as two to up to five sinuous and intertwined veins that strike east-west and dip steeply to the north on the western extents and steeply to the south on the eastern extents. The San Marcos vein is drill defined over a strike length of about 700 meters, has a true width of at least four to five meters and a known vertical extent of over 300 meters. Drilling has identified mineralisation for over 600 meters along strike, 250 meters down dip and grade x thickness contours indicate the core mineralisation plunges 25 degrees east. The veins remain open at depth to the east.

At Mariana Norte, Andean has identified mineralisation over 750 metres along strike, up to 150 meters down dip and is found in two to three parallel to intertwined quartz vein and breccia zones. The Mariana Norte structure forms a lazy "s" shape that strikes N70 degrees west and dips 45 to 60 degrees north at the eastern and western extents. The central segment strikes N80 degrees east and dips 60 degrees north and may represent a link or structural offset of the east and west segments. Holes with important intercepts are commonly 4 to 8 meters in true width as currently understood but probably average 3 to 4 meters overall. Vein widths of up to 8 meters persist to the west but not all of the quartz and/or carbonate vein material carries precious metal values

4.3 Mining

Most of the known deposits at Cerro Negro dip steeply, are open at depth and exhibit consistent geometries and good rock conditions that make them best suited for conventional underground mining methods. Underground mining also allows Andean to reduce the footprint of its operations and to further mitigate the risk of water contamination. However, open pit mining is considered more suitable at Vein Zone because of the complexity of the vein and stockwork system. Transverse stoping with cemented and non-cemented backfill is the preferred solution for Eureka and Bajo Negro as it allows a greater degree of flexibility.

At Eureka, the feasibility study contemplates a mining rate of 1,850 tonnes per day and the recovery of more than 90% of the currently defined indicated resource because of the continuous nature of the high grade. The Bajo Negro deposit would be mined at a rate of 1,200 tonnes per day and 86% of the known indicated resource is expected to be recovered. The feasibility study made an allowance of US\$31 million in ongoing capital costs to develop the Bajo Negro mine. At Vein Zone, the study contemplates a two stage open pit mine and the mining of 55% of the currently delineated indicated resource, at an average rate of 1,200 tonnes per day. The feasibility study made an allowance of US\$16 million in ongoing capital costs to develop the mine including the purchase of open pit mining equipment. Studies are underway to optimise the pit design, which should lead to an increase in the recovered ounces.

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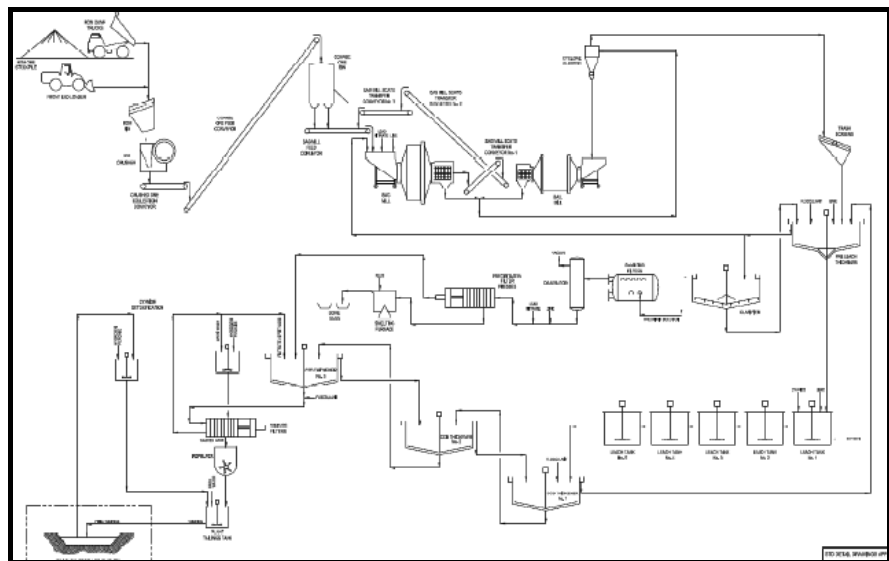
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It should be noted that the discovery of the Mariana and San Marcos deposits is likely to impact the scheduling of mining as proposed by the feasibility study. In particular, mining of the Vein Zone deposit is likely to occur at the back end of the project. Mariana Central, San Marcos and Mariana Norte are likely to be mined using underground mining methods commencing towards the beginning of the project.

4.4 Processing

The processing facility is expected to be located north west of the Vein Zone deposit in an area known as El Retiro. Its location at the bottom of a valley and the fact that large parts of the plant will be enclosed will provide protection from the cold and windy conditions. Ore from the various deposits will be trucked to the process plant.

The ore is largely free-milling and non-refractory. The contemplated design of the processing plant is conventional. After crushing and grinding, ore will be leached with cyanide. The leach solution will be concentrated in a counter current decantation circuit and treated using the Merrill-Crowe process to precipitate the gold and silver, which are then recovered in the form of gold and silver doré bars. The cyanide solution will be recycled to minimise the use of reagents. The following diagram illustrates the proposed flow sheet:



Source: Andean

Ore from the Eureka deposit does not contain gravity gold and no gravity circuit is expected to be installed initially. However, a gravity circuit will be added when required to treat ore containing gravity gold, including ore from the Bajo Negro and Vein Zone deposits. Testwork undertaken on the Eureka, Bajo Negro and Vein Zone ores has shown that ore from Bajo Negro and Vein Zone can be processed using a coarser grind than is required for Eureka, resulting in a processing rate of 2,450 tonnes per day compared to 1,850 tonnes per day for Eureka. Recoveries are expected to average 95% for gold and 86% for silver for all three deposits.

The feasibility study contemplates a maximum throughput rate of 895,000 tonnes per annum. However, in light of the recent drilling results at the Mariana and San Marcos deposits and the potential impact on the mining schedule, Andean is now assessing the potential to substantially increase the proposed capacity of the plant to optimise the economics of the project. Andean believes that the throughput capacity of the plant could be significantly increased by adding crushing and grinding capacity. The currently planned leaching capacity could be sufficient even

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at higher throughput rates because ore sourced from the Bajo Negro, Mariana, San Marcos and Vein Zone deposits generally has much lower silver grades than ore from the Eureka deposit and is likely to require a shorter residence time in the leach tanks.

A nearby valley will be closed off by two dam walls and lined with high-density polyethylene to be used as a tailings storage facility. Additional storage capacity is available in an adjacent valley. Water will be sourced from three bore holes and surface water, as well as recycled from the plant. Main access to the site will be via a new 45 kilometre access road connected to a two lane highway east of the site, Provincial Road 39. An existing access road linking the project site to Highway 40 to the west will be upgraded to provide a second, all-weather access. Power will be sourced from the main power grid via a 58 kilometre dedicated transmission line. Andean is monitoring wind speed to assess the potential to install wind power generating capacity in the future. Staff numbers are expected to exceed 530 employees when the project is in production (based on the mining of Eureka, Bajo Negro and Vein Zone).

4.5 Reserves and Resources

Cerro Negro's reserves and resources as reported as at the date of this report are summarised as follows:

Cerro Negro – Reserves and Resources ¹²					
	Tonnes (Mt)	Average Grade		Contained Metal	
		Gold (g/t)	Silver (g/t)	Gold (‘000 oz)	Silver (Moz)
Resources					
Eureka					
Indicated	3.6	12.3	179.0	1,421	20.8
Inferred	1.0	7.6	79.0	235	2.4
Bajo Negro					
Indicated	1.9	8.7	24.0	526	1.4
Inferred	0.9	6.1	15.7	183	0.5
Vein Zone					
Indicated	8.4	2.2	4.9	593	1.3
Inferred	3.1	1.1	2.0	105	0.2
Total Indicated	13.8	5.7	52.9	2,540	23.6
Total Inferred	5.0	3.2	19.3	523	3.1
Probable Reserves					
Eureka	2.9	13.6	198.0	1,284	18.6
Bajo Negro	1.8	7.7	21.0	457	1.2
Vein Zone	2.4	4.3	9.0	331	0.7
Total Probable	7.1	9.0	90.0	2,072	20.6

Source: Andean

¹² Cerro Negro's reserves and resources have been prepared in accordance with National Instrument 43-101 – Standards of Disclosure of Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on August 20, 2000 ("CIM Standards").

The terms Mineral Resource, Measured Mineral Resource, Indicated Mineral Resource, Inferred Mineral Resource used are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

The resources for Eureka and Bajo Negro assume a cut-off grade of 3.0 g/t gold equivalent, based on underground mining. The Vein Zone resource assumes a cut-off grade of 0.5 g/t gold equivalent based on open pit mining.

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Resources at Eureka and Vein Zone were last updated in June 2009 and July 2010 respectively. A maiden resource was defined at Bajo Negro in April 2010. Andean expects to release maiden resources for Mariana Central, San Marcos and Mariana Norte in the near future.

4.6 Exploration

Upside to the mining inventory includes the conversion of inferred resources to reserves, the delineation of further resources along strike and at depth at Eureka, Bajo Negro and Vein zone, the identification of additional mining inventory at the Mariana Central, San Marcos, Mariana Norte and Mariana Sur deposits and the identification of resources at other exploration targets and elsewhere on the Cerro Negro property. As epithermal systems normally occur in swarms, the property is very prospective.

4.7 Project Status

Development of the Eureka portal and decline commenced in February 2010. As at the date of this report, the decline had been developed to approximately 443 metres from the portal. Subject to permitting approval, Andean anticipates that full production could be achieved by the end of the September 2012 quarter, assuming receipt of necessary permits on a timely basis:

Cerro Negro – Development Plan Key Milestones	
Item	Date
Commencement of mine preparation	March 2011 quarter
Commencement of process plant construction	March 2011 quarter
Commencement of mining activities	March 2012 quarter
Plant ore commissioning	March 2012 quarter
Start of process plant ramp up	End of June 2012 quarter
Full production	End of September 2012 quarter

Source: Andean

An Environmental Impact Assessment application was lodged with the Santa Cruz provincial government in June 2010. The government authorities are currently reviewing the submission with approval of the operating permits being expected in the fourth quarter of 2010 or early 2011.

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5 Profile of Goldcorp

5.1 Overview

Goldcorp is the world's second largest gold company by market capitalisation, seventh largest in terms of reserves and sixth largest in terms of production. The company is based in Vancouver, Canada, and is listed on the New York Stock Exchange ("NYSE") and the TSX. Goldcorp had a market capitalisation of approximately US\$33 billion as at 2 September 2010.

Goldcorp was founded in 1954 as a holding company with a portfolio of gold-related securities and listed on the TSX in 1983. Goldcorp completed a number of smaller acquisitions before merging with Wheaton River Minerals Ltd in April 2005. Subsequently, Goldcorp acquired the Canadian mines of Placer Dome Inc ("Placer Dome") and certain other assets from Barrick Gold Corporation ("Barrick") for a total of C\$1.6 billion in 2006. Later that year, Goldcorp combined with Glamis Gold Ltd. ("Glamis"), thereby acquiring the Peñasquito Project and the Marlin gold mine and creating one of the largest gold mining companies in the world. Goldcorp continues to build and optimise its portfolio of assets through corporate transactions:

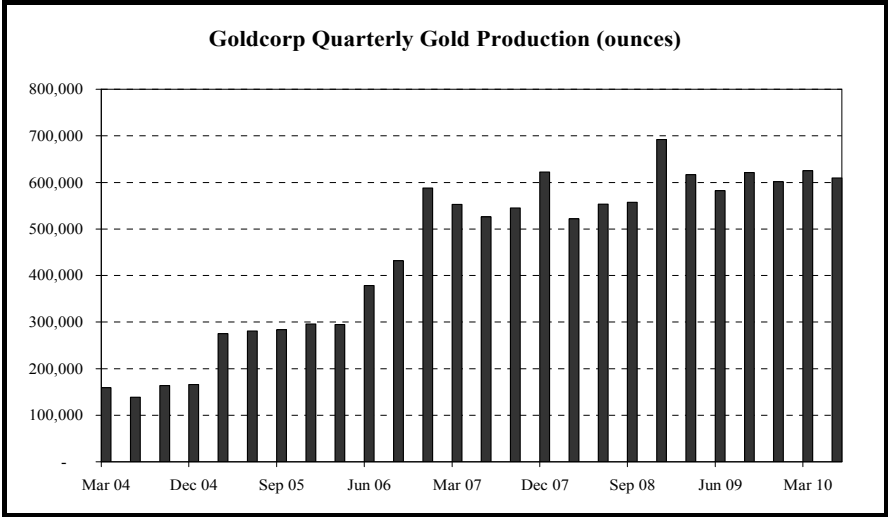
Goldcorp – Key Events	
Date	Event
Apr 2005	Merged with Wheaton River Minerals Ltd. creating the gold mining industry's lowest-cost, million-ounce gold producer. Ian Telfer was appointed CEO and Rob McEwen became the non-executive Chairman of Goldcorp.
May 2006	Acquired Placer Dome Inc.'s Canadian mines and certain other assets from Barrick Gold Inc. for C\$1.6 billion including the Campbell (100%), Porcupine (51%), Musselwhite (68%) and La Coipa (50%) mines, the Pueblo Viejo development project (40%) in the Dominican Republic and the Mt Milligan (60%) gold copper project in Canada.
Nov 2006	Combined with Glamis Gold Ltd in C\$8.2 billion transaction.
Dec 2007	Acquired remaining 49% interest in the Porcupine gold mine and 32% interest in the Musselwhite gold mine from Kinross Gold Corporation, both located in Ontario in exchange for Goldcorp's 50% interest in the La Coipa gold/silver mine in Chile and US\$205 million in cash.
Feb 2008	Completed sale of remaining 48% interest in Silver Wheaton Corp. ("Silver Wheaton") for gross proceeds of US\$1,571 million.
Sept 2008	Completed acquisition of Gold Eagle Mines Ltd. for approximately US\$1,287 million.
Oct 2009	First lead and zinc concentrate produced at Peñasquito project in Mexico.
Feb 2010	Completed the acquisition of a 70% interest in Sociedad Contractual Minera El Morro, the owner of the El Morro gold/copper project in north-central Chile for \$513 million in cash.
Feb 2010	Completed C\$307 million acquisition of Canplats Resources Corporation (the Camino Rojo gold/silver project in Mexico).
Apr 2010	Goldcorp interest in Terrane Metals Corp. ("Terrane") reduced from 66% to 58% via a bought-deal financing agreement to raise C\$70 million.
Apr 2010	Pueblo Viejo's project financing was finalised and drawn down.
Jun 2010	Completed sale of the Escobal silver project to Tahoe Resources Inc. ("Tahoe") for a total of US\$495 million comprising \$255 million in cash and 40% equity interest in Tahoe.
Aug 2010	Completed sale of the San Dimas gold/silver mine in Mexico and Silver Trading (Barbados) Limited ("Silver Trading") to Primero Mining Corp. (formerly Mala Noche Resources Corp.) ("Primero") for \$510 million in cash and equity. Silver Trading has an agreement to sell all the silver produced from San Dimas to Silver Wheaton. Goldcorp's interest in Primero following the transaction is approximately 38%.
Sept 2010	Commenced commercial production at the Peñasquito mine in Zacatecas, Mexico.
Sept 2010	Terrane shareholders approved Terrane's acquisition by Thompson Creek Metals Company Inc.

Source: Goldcorp

Through these transactions Goldcorp has grown from a 600,000 ounce per annum gold producer to a 2.4 million ounce per annum gold producer in 2009 as shown on the graph below:

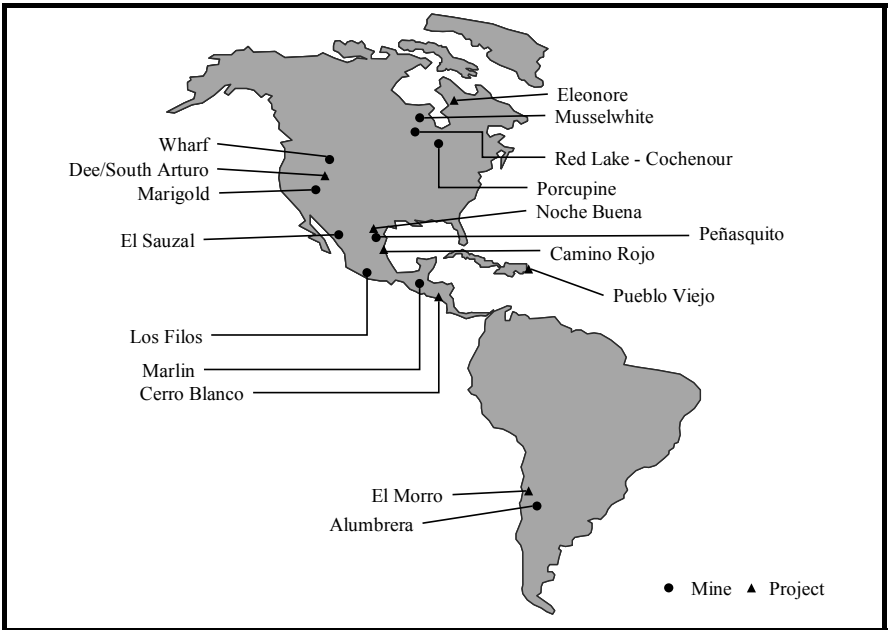
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Source: Goldcorp

Goldcorp currently has an interest in 10 operating gold mines, two projects under construction and a portfolio of advanced projects. Goldcorp's five year plan projects growth of over 50% in annual gold production from 2.4 million ounces in 2009 to 3.7 million ounces in 2014 through increased production at Red Lake/Cochénour in Canada, the ramping up of Peñasquito in Mexico and commencement of operations at the Pueblo Viejo project in the Dominican Republic (40% interest). Although primarily a producer of gold, Goldcorp also produces silver, copper, lead and zinc. The company does not hedge its gold production. Goldcorp's mines and projects are located throughout North, Central and South America:



Source: Goldcorp

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Goldcorp's current assets are summarised as follows:

Goldcorp Key Assets								
Asset	Interest	Location	Status	Minerals	As at 31 Dec 2009 ¹³		Year ended 31 Dec 2009	
					Mineral Reserves (Au Moz)	Mineral Resources (Au Moz)	Gold Prod (000's oz)	Cash Costs (US\$/oz)
North America								
Red Lake	100%	Canada	Operating	Gold	3.42	2.06	623	288
Porcupine	100%	Canada	Operating	Gold	2.79	5.07	318	447
Musselwhite	100%	Canada	Operating	Gold	2.11	0.27	233	585
Marigold	67%	USA	Operating	Gold	1.61	0.44	98	596
Wharf	100%	USA	Operating	Gold	0.19	0.29	68	686
Éléonore	100%	Canada	Project	Gold	-	3.15	-	-
Dee/South Arturo	40%	USA	Project	Gold	0.86	0.11	-	-
Mexico								
Los Filos	100%	Mexico	Operating	Gold, silver	5.67	1.40	239	469
El Sauzal	100%	Mexico	Operating	Gold	0.33	0.14	204	201
Peñasquito	100%	Mexico	Operating	Gold, silver, lead, zinc	17.82	4.45	90	-
- Camino Rojo ¹⁴	100%	Mexico	Project	Gold, silver	-	3.45	-	-
- Noche Buena	100%	Mexico	Project	Gold, silver	-	0.53	-	-
San Nicolas	35%	Mexico	Project	Gold, silver, copper, zinc	-	0.43	-	-
Central & South America								
Alumbrera	37.5%	Argentina	Operating	Gold, copper	1.53	0.02	158	(722)
Marlin	100%	Guatemala	Operating	Gold, silver	2.07	0.07	275	192
San Martin	100%	Honduras	Reclamation	Gold	-	-	3	-
Pueblo Viejo	40%	Dominican Republic	Project	Gold, silver, copper	9.50	2.86	-	-
Cerro Blanco	100%	Guatemala	Project	Gold, silver	-	1.27	-	-
El Morro ¹⁵	70%	Chile	Project	Copper, gold	4.70	1.54	-	-
Total					52.60 ¹⁶	27.55 ¹⁷	2,308 ¹⁸	296 ¹⁹

Source: Goldcorp

Notes: Reserves and resources include gold reserves and resources and represent Goldcorp's share. In addition, resources exclude reserves and inferred resources.

¹³ Prepared in accordance with CIM Standards.

¹⁴ Acquired in February 2010.

¹⁵ Acquired in February 2010.

¹⁶ Mineral reserves at 31 December 2009 exclude reserves attributable to San Dimas which Goldcorp sold in August 2010.

¹⁷ Mineral resources at 31 December 2009 exclude resources attributable to Escobal which Goldcorp sold in June 2010.

¹⁸ Gold production excludes production attributable to San Dimas which Goldcorp sold in August 2010.

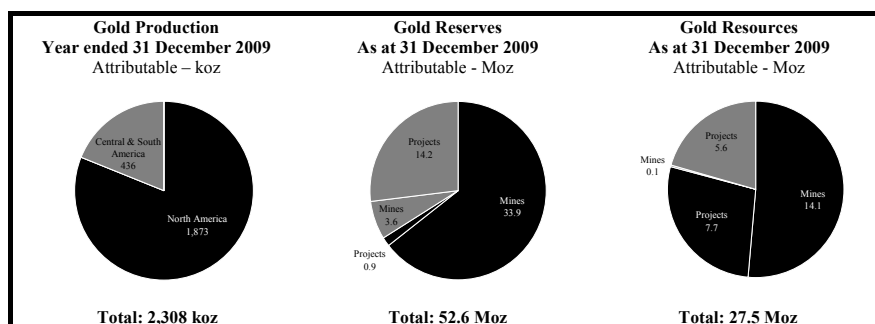
¹⁹ Cash costs exclude the costs attributable to production at San Dimas which Goldcorp sold in August 2010.

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Operating mines account for approximately 71% and 52% of Goldcorp's gold reserves and resources respectively, including the recently commenced Peñasquito operations:



Source: Goldcorp

Note: Reserves and resources include Camino Rojo and El Morro and exclude Escobal and San Dimas. Production excludes San Dimas. North America includes Mexico.

North America accounts for in excess of 80% of Goldcorp's production, with eight mines currently operating. Production for the 2009 calendar year totalled 2.3 million ounces at total cash costs of US\$296 per ounce. As at 31 December 2009, North American mines accounted for 33.9 million ounces of reserves (65% of Goldcorp's total) and 14.1 million ounces of resources (51% of total). North American production is expected to increase from 1.90 million ounces in the year ended 31 December 2009 to 2.04 million ounces in the year ending 31 December 2010.

In Central and South America, Goldcorp operates the Marlin mine and owns 37.5% of the Alumbra mine, in addition to owning a number of key development projects. 2009 production from these mines totalled 433,000 ounces of gold, representing less than 20% of the company's gold output, at a negative cash cost of US\$142 per ounce, mainly as a result of the production of copper at the Alumbra mine. Reserves and resources of operating mines in Central and South America respectively account for 3.6 million ounces or 7% of Goldcorp's reserves and 0.1 million ounces or 0.3% of Goldcorp's resources as at 31 December 2009. Goldcorp's Central and South American production is expected to increase to 455,000 ounces in the year ending 31 December 2010.

Revenue from copper accounted for approximately 12% in the year ended 31 December 2009 and revenue from silver was only marginal. However, revenue from silver and base metals should increase in the next few years with the ramp-up of Peñasquito and the development of Pueblo Viejo and other projects. As these lower cash cost projects come on line, Goldcorp's average cash costs are projected to decrease.

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5.2 Reserves and Resources

Goldcorp is essentially a gold exploration, development and mining company. However, some of Goldcorp's assets also produce silver, copper, lead and zinc. Goldcorp's reserves and resources as at 31 December 2009 by mineral are summarised as follows:

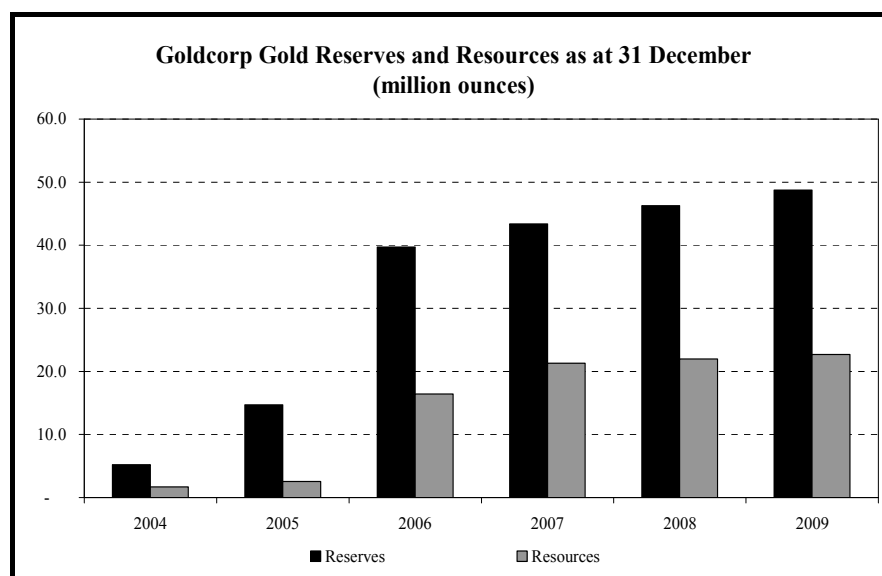
Goldcorp Reserves and Resources – Contained Metal at 31 December 2009 ²⁰				
Reserves	Proven	Probable	Proven & Probable	
Gold (million ounces)	21.25	27.50	48.75	
Silver (million ounces)	709.3	590.7	1,300.0	
Copper (million pounds)	1,012	216	1,228	
Lead (million pounds)	4,450	2,761	7,211	
Zinc (million pounds)	9,649	6,281	15,930	

Resources	Measured	Indicated	Measured & Indicated	Inferred
Gold (million ounces)	2.66	20.02	22.68	19.63
Silver (million ounces)	4.9	593.1	598.1	459.9
Copper (million pounds)	14	890	904	75
Lead (million pounds)	2,738	-	2,738	790
Zinc (million pounds)	9,134	1,085	10,219	1,697

Source: Goldcorp

Note: Reserves and resources include Escobal and San Dimas and exclude El Morro and Comino Rojo. Escobal was sold in June 2010 and San Dimas was sold in August 2010. El Morro and Comino Rojo were acquired in February 2010.

Goldcorp has a proven track record of increasing reserves, both organically and through acquisition:



Source: Goldcorp

²⁰ Prepared in accordance with CIM Standards.

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5.3 Key Mines and Projects

Red Lake (Goldcorp: 100%)

The Red Lake Gold Mine, located in Ontario, Canada, is Canada's largest mine in terms of production. It has been mined since the 1940s but was substantially revitalised in 2000 and 2001 following the discovery of the high grade zone. Red Lake is one of the highest grade, lowest cost gold mines in the world. Red Lake accounted for 7% of reserves and 7% of resources as at 31 December 2009, but 26% of Goldcorp's gold production for the year ended 31 December 2009. Gold production totalled 623,000 ounces at cash costs of US\$288 per ounce for the year ended 31 December 2009 and 340,200 ounces at cash costs of US\$303 per ounce for the six months ended 30 June 2010.

The Red Lake operations consist of two operating complexes, the Red Lake Complex and the Campbell Complex. The Red Lake Complex mines a high grade narrow vein system with an average grade of over 68 g/t using underground techniques. Ore is treated through a dedicated process plant. The Campbell Complex consists of an underground mine and a separate process plant.

Goldcorp has identified further zones of high grade ore within the Red Lake region, and is proceeding with a plan to rehabilitate the existing Cochenour shaft and connecting the Cochenour and Red Lake operations with a high speed drift to better utilise the existing infrastructure at the Red Lake mine. First production from the project is expected to occur in late 2014. A potential open pit project provides an opportunity for further growth

Peñasquito (Goldcorp: 100%)

The US\$1.6 billion Peñasquito project is located in Mexico and accounted for approximately 34% of Goldcorp's reserves and 16% of the company's resources as at 31 December 2009. The operations consist of two open pits, the Penasco and the Chile Colorado, containing gold, silver, lead and zinc.

The first zinc and lead concentrates were produced in October 2009, operational production was declared in January 2010 and commercial production was declared in September 2010. Operations are expected to reach design processing capacity of 130,000 tonnes per day in early 2011 following the commissioning of a high pressure grinding roll circuit. It is expected that annual production after reaching full design capacity will average 500,000 ounces of gold, 28 million ounces of silver, 450 million pounds of zinc, and 200 million pounds of lead, with a mine life of 22 years.

There are a number of targets identified in the Peñasquito area. Development continues at two of the targets – Noche Buena and Camino Rojo, two advanced stage satellite exploration projects. The Noche Buena project is located approximately 5 kilometres north of the Peñasquito mine and has reported measured and indicated resources of 530,000 gold ounces and 18,400,000 silver ounces. A scoping study is in process and samples have been collected for metallurgical testing to occur in the third quarter of 2010. In-fill drilling is currently in progress in order to facilitate a feasibility-level resource calculation of both oxide and sulphide material. The deposit remains open to the south and at depth within the Peñasquito-style sulphides. The Camino Rojo project is located approximately 50 kilometres southeast of Goldcorp's Peñasquito mine. Its 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 0.5 million ounces of gold and 7.6 million ounces of silver. At the Camino Rojo project, re-logging of 35,000 metres of drill core and RC chips was completed for better definition of the oxide, transitional and sulphide zones at the Represa deposit. Airborne geophysics has also begun. Gold domains, faults and dikes were interpreted on 25 cross sections at 50 metre spacing. Negotiations with local communities for surface rights and exploration remain positive.

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Pueblo Viejo (Goldcorp: 40%, Barrick: 60%)

The US\$3.0 billion (100%) Pueblo Viejo project in the Dominican Republic is Goldcorp's second largest asset by reserves after Peñasquito. Pueblo Viejo is a joint venture with Barrick Gold Corporation, the operator, and is currently under construction with first production expected in late 2011. Ore will be mined from two open pits using conventional methods and oxidised in autoclaves before processing via a carbon in leach circuit.

Goldcorp's share of gold reserves at Pueblo Viejo is 9.5 million ounces (40% interest). Over the first five years of operation its share of production is expected to amount to 415,000-450,000 ounces at cash costs of US\$250-275 per ounce. Pueblo Viejo's mine life is expected to exceed 25 years. Goldcorp's share of pre-production capital is estimated at US\$1.2 billion. As of 30 June 2010, 25% of construction was complete and 70% of the capital had been committed. In April 2010, the terms of a US\$1.0 billion non-recourse project finance facility were finalised. Goldcorp and Barrick have guaranteed their share of the facility until certain completion tests have been completed.

Los Filos (Goldcorp: 100%)

The Los Filos operations are located in Mexico and consist of two open pit mines, Los Filos and El Bermejil, and one small underground mine, with a shared heap leach recovery plant. Commercial production was declared on 1 January 2008. For the year ended 31 December 2009, gold production was 239,000 ounces at a cash cost of US\$469 per ounce, making Los Filos Mexico's largest gold producer. Production was 154,700 ounces at a cash cost of US\$430 per ounce for the six months ended 30 June 2010 and is expected to increase to approximately 300,000 ounces for the whole of 2010.

Los Filos' reserves increased by over one million ounces during 2009, following exploration success at the southern extension to El Bermejil and in the 4P area just south of the Los Filos pit. The 4P area offers further exploration potential and could support open pit operations.

Marlin (Goldcorp: 100%)

The Marlin gold and silver mine located in the western highlands of Guatemala is a combined open pit and underground mining operation with a conventional Merrill Crowe process plant. It began commercial production in 2005 and produced 275,000 ounces of gold at a cash cost of US\$192 per ounce during the year ended 31 December 2009. Production over the six months ended 30 June 2010 was 140,400 ounces at a cash cost of US\$78 per ounce. The low costs are due in part to the mine's high silver content. Production is expected to grow to 290,000 ounces in 2010 as the mine moves into the core of the ore body. Successful drilling in 2009 is expected to increase reserves and resources in 2010 and there is further exploration potential.

El Morro (Goldcorp: 70%, New Gold: 30%)

El Morro is an advanced stage copper-gold project located in Chile. Goldcorp acquired a 70% interest in El Morro from New Gold in February 2010. Goldcorp's short term focus will be on in-fill drilling at the La Fortuna deposit and regional exploration. Goldcorp's share of total reserves as at 31 December 2009 was 4.7 million ounces of gold and 4.0 billion pounds of copper. A feasibility study completed in 2008 had identified the potential to develop open pit operations yielding an average of 310,000 ounces of gold and 335 million pounds of copper per annum over a mine life of 14 years. An environmental impact assessment has been submitted and approval is expected late in 2010. Goldcorp's acquisition of El Morro is subject to legal action brought by Barrick who claim the acquisition from New Gold was unlawful. The parties are involved in legal action and Goldcorp intends to defend the claim.

Porcupine (Goldcorp: 100%)

Porcupine is North America's longest continually operating gold mine and is located in Timmins, Ontario. It commenced production in 1910 and has produced more than 64 million ounces. The Porcupine operations consist of the Hoyle Pond and Dome underground mines and a central

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milling facility. Total reserves as at 31 December 2009 were 2.8 million ounces of gold. Gold production for the year ended 31 December 2009 was 318,000 ounces at total cash costs of US\$447 per ounce and for the six months ended 30 June 2010 was 129,000 ounces at total cash costs of US\$599 per ounce. Projected production for the year ending 31 December 2010 is 280,000 ounces.

Musselwhite (Goldcorp:100%)

Musselwhite is located in northwestern Ontario, Canada and comprises an underground gold mine and associated processing plant. Total reserves as at 31 December 2009 were 2.1 million ounces of gold and Musselwhite has an estimated mine life of eight years. Gold production for the year ended 31 December 2009 was 233,000 ounces at total cash costs of US\$585 per ounce and for the six months ended 30 June 2010 was 120,700 ounces at total cash costs of US\$654 per ounce. Projected production for the year ending 31 December 2010 is 260,000 ounces.

5.4 Financial Performance

The financial performance of Goldcorp for the three and a half years ended 30 June 2010 is summarised below:

Goldcorp – Financial Performance (US\$ millions)²¹				
	Year ended 31 December			6 mths ended
	2007	2008	2009	30 June 10
Revenue	2,207	2,420	2,724	1,595
Margin²²	1,077	1,005	1,342	837
Depreciation and depletion	(465)	(499)	(526)	(269)
Earnings from operations	612	506	816	568
Gain/(loss) on foreign exchange	(49)	1,059	(367)	(20)
Other income/(expenses)	43	193	74	423
Net interest revenue / (expense)	(24)	21	(78)	(42)
Net profit before tax	582	1,779	445	930
Income and mining tax expenses	(161)	(295)	(207)	(156)
Non-controlling interests	(46)	(8)	2	2
Net profit after tax	375	1,476	240	776
Discontinued operations	85	-	-	-
Net profit after tax	460	1,476	240	776
<i>Operating statistics</i>				
Gold produced (million ounces)	2.2	2.3	2.4	1.2
Average realised gold price (US\$/oz)	703	868	978	1,160
Total by-product cash costs (US\$/oz)	188	305	295	344
Revenue growth (%)	34%	10%	13%	nm ²³
Margin growth (%)	43%	-7%	34%	nm
Margin/revenue (%)	49%	42%	49%	52%
Basic net earnings per share (US\$)	0.65	2.07	0.33	1.06
Basic net earnings from continuing operations per share (US\$)	0.53	2.07	0.33	1.06
Dividends paid (US\$)	126.9	128.7	131.7	66.0

Source: Goldcorp

²¹ Goldcorp's financial accounts have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

²² Margin is revenue less operating expenses.

²³ nm represents non meaningful.

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Goldcorp's sales revenue has grown strongly over the last three and a half years. This growth has been driven by a combination of increased gold production and higher gold prices.

Margin growth has been broadly in line with revenue growth except in 2008 when total cash costs increased at a greater rate than the gold price. By-product cash costs compared to 2007 is significantly higher primarily due to lower by-product sales credits as a result of lower copper production and lower realized copper prices, increased labour costs, the increased costs of consumables, and unplanned maintenance costs.

The gains/(losses) on foreign exchange are mainly due to the impact of foreign exchange rates on Goldcorp's future income tax liabilities which are denominated in local currencies. Other income/(expenses) includes the profit/(loss) on non-hedge derivatives, securities interests and mining interests. Significant items over the three and a half year period include:

- the gain on sale of Goldcorp's 8% interest in New Gold Inc. (formerly Peak Gold Ltd.) which was disposed of in October 2009;
- a US\$40 million (before tax) profit on the sale of the Amapari and Peak Mines to Peak Gold Ltd. in the second quarter of 2007;
- the sale of Goldcorp's remaining 48% interest in Silver Wheaton for a gain of US\$292 million (before tax) in the first quarter of 2008; and
- a US\$426 million profit before tax on the sale of the Escobal silver project in the six months ended 30 June 2010.

Income and mining taxes comprise Federal and provisional income taxes in Canada.

The non-controlling interest relates to Goldcorp's interest in Terrane Metals Corp. ("Terrane"). In September 2010, the shareholders of Terrane approved the sale of the company to Thompson Creek Metals Company Inc. At the closing of the transaction, Goldcorp received C\$240.5 million in cash and 13.9 million Thompson Creek common shares representing approximately 8% of the outstanding shares of Thompson Creek.

Over the last three years, Goldcorp has paid monthly dividends of US\$0.015 per share which approximate annual dividends of US\$0.18 per share.

Outlook

For the year ending 31 December 2010, Goldcorp expects to produce approximately 2.55 million ounces of gold at cash costs of US\$350 per ounce with increased production at Peñasquito, Los Filos and Red Lake more than offsetting reductions at El Sauzal, which is nearing the end of its life, and Porcupine, where the processing of low grade stockpiles will adversely affect production.

Between 2010 and 2014, production growth of over 50% is expected from existing mines and new projects. This will be driven by the ramp up of production at Peñasquito, increased production at Red Lake/Cochénour and the contribution of the Pueblo Viejo project. Goldcorp has announced that it expects gold production to reach 3.7 million ounces in 2014 compared to 2.4 million ounces in 2009.

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5.5 Financial Position

The financial position of Goldcorp as at 31 December 2009 and 30 June 2010 is summarised below:

Goldcorp – Financial Position (US\$ millions) ²⁴		
	As at 31 December 2009	As at 30 June 2010
Current assets	1,601	1,282
Current liabilities	(735)	(602)
- minus cash	(875)	(497)
Net working capital	(9)	183
Mining interests	18,001	19,832
Investments	390	504
Stockpiled ore	94	88
Deposits on mining interest expenditure	87	18
Goodwill	762	762
Future income and mining tax liabilities	(3,575)	(3,902)
Income and mining taxes payable	(65)	(113)
Reclamation and closure cost obligations	(282)	(281)
Other liabilities (net)	(15)	(146)
Net capital employed	15,388	16,945
Cash	875	497
Debt	(719)	(733)
Net debt	(156)	(236)
Total Equity	15,544	16,709
Non-controlling interests	51	319
Equity attributable to Goldcorp shareholders	15,493	16,390
<i>Statistics</i>		
<i>Net assets per basic share (US\$)</i>	21.25	22.75
<i>Net assets per fully diluted shares (US\$)</i>	21.16	22.66

Source: Goldcorp and Grant Samuel analysis

Mining interests represent mining assets at cost, which are depleted using the unit-of-production method. Mining interests are also subject to annual impairment testing. Mining interests at 30 June 2010 included equity accounted investments in Tahoe Resources Ltd. and Pueblo Viejo Dominicana Corporation. Stockpile ore primarily represents low grade stockpile ore at Alumbra which is expected to be drawn down throughout the remainder of the mine's life, being the seven years to 2017. Goodwill primarily relates to the acquisition of Placer Dome Inc.'s mining assets and Glamis Gold Ltd. and has been allocated to the Red Lake, Peñasquito and Los Filos reporting units. The reclamation and closure cost obligations, including land rehabilitation, demolition, and ongoing care and maintenance, are based on the present value of future obligations using a discount rate of 5%. The undiscounted provision at 31 December 2009 was US\$523 million.

Goldcorp's debt facilities at 30 June 2010 comprised a C\$40 million non-revolving term loan (which was undrawn at 30 June 2010) and US\$862.5 million convertibles notes. The convertible notes, issued in June 2009, are unsecured and earn interest at 2.0% per annum which is payable semi-annually. The convertible notes are convertible between 5 June 2009 and 1 May 2014 subject to certain market and other conditions or after 1 May 2014 until maturity. The convertible notes mature on 1 August 2014. In addition, Goldcorp has a US\$1.5 billion revolving credit facility which was undrawn at 30 June 2010.

²⁴ Prepared in accordance with GAAP.

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Since 30 June 2010, Goldcorp has entered into an agreement to sell the San Dimas gold/silver mine in Mexico to Primero for US\$510 million payable in a combination of cash and equity. In addition, Goldcorp has agreed to sell its 58.2% interest in Terrane to Thompson Creek for C\$240 million in cash and an approximate 8% equity interest in Thompson Creek common shares. Both of these transactions will have a positive material impact on Goldcorp's financial position.

At 30 June 2010, Goldcorp outlined the following contingent liabilities:

- Pueblo Viejo Dominicana Corporation, the entity that owns the Pueblo Viejo project (Goldcorp 40% interest), received an action filed in the Dominican Republic by various parties alleging violations of fundamental rights. Pueblo Viejo Dominicana Corporation is defending the action;
- The Inter-American Commission on Human Rights has called on the Guatemala government to suspend mining at Marlin due to environmental and health concerns. Investigations by the government to date have not indicated any environmental or health concerns, but the investigation is continuing. Marlin is continuing to operate as normal while the investigation is undertaken.

In addition Goldcorp's acquisition of El Morro is subject to legal action. In January 2010 Barrick filed a claim against Goldcorp and New Gold relating to New Gold's exercise of the right of first refusal in relation to Xstrada's interest in El Morro. The parties are currently engaged in legal action in relation to this matter and Goldcorp intends to defend itself against the claim.

5.6 Capital Structure and Ownership

As at 8 October 2010, Goldcorp had the following securities on issue:

- 736,302,275 ordinary shares on issue;
- 16,855,167 unlisted options over unissued ordinary shares of which 16.4 million were issued through Goldcorp's 2005 Stock Option Plan. These options have exercise prices ranging from C\$12.55 to C\$44.50 and expire between 27 February 2011 and 1 September 2017;
- 478,333 restricted share units that entitle holders to receive one Goldcorp share subject to restricted periods expiring on dates ranging from 11 May 2011 to 10 August 2013. The restricted share units are held by non-executive directors of Goldcorp;
- 209,200 performance share units which, subject to meeting certain performance criteria, are settled in cash and expire between 2 August 2010 and 3 July 2013; and
- 8,439,425 warrants which are exercisable into one Goldcorp share per warrant for C\$45.75 per warrant before 9 June 2011. The warrants are listed on the NYSE and TSX.

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At 1 October 2010, there were 5,521 registered shareholders in Goldcorp. The top ten shareholders accounted for approximately 28.5% of the ordinary shares on issue:

Goldcorp – Major Shareholders as at 5 October 2010		
	Number of Shares	Percentage
Fidelity Management & Research	50,053,720	6.8%
Pryamis Global Advisors LLC	25,266,467	3.4%
Van Eck Associates Corporation	22,155,253	3.0%
RBC Asset Management	21,053,014	2.9%
Blackrock Asset Management Canada	20,654,526	2.8%
Blackrock Investment Management (UK)	17,615,329	2.4%
Carmignac Gestion	14,039,000	1.9%
Greystone Managed Investments Inc	13,496,098	1.8%
Jarislowsky Fraser Ltd	13,040,435	1.8%
Caisse de Depot et Placement du Quebec	12,680,223	1.7%
Subtotal – Top 10 shareholders	210,054,065	28.5%
Other shareholders	525,993,935	71.5%
Total	736,048,000	100.0%

Source: Goldcorp

As at 1 October 2010, Goldcorp's only substantial shareholder with a beneficial interest over 5% was Fidelity Management & Research.

5.7 Share Price Performance

Goldcorp's shares are listed on the NYSE and TSX. Although the NYSE is Goldcorp's primary exchange, Goldcorp's share price on the TSX has been analysed for the purposes of this report. A summary of the price and trading history of Goldcorp on TSX since 1 January 2005 is set out below:

	Goldcorp - Share Price History			
	Share Price (C\$)			Average Weekly Volume (000's)
	High	Low	Close	
Year ended 31 December				
2005	26.58	15.11	25.90	9,458
2006	45.99	22.97	33.11	17,125
2007	34.80	22.40	33.80	19,135
2008	52.48	17.77	38.39	21,768
2009	48.37	29.08	41.35	18,356
Quarter ended				
31 March 2010	44.91	35.12	37.95	21,342
30 June 2010	48.18	38.11	46.61	21,201
30 September 2010	48.18	39.44	44.70	18,318

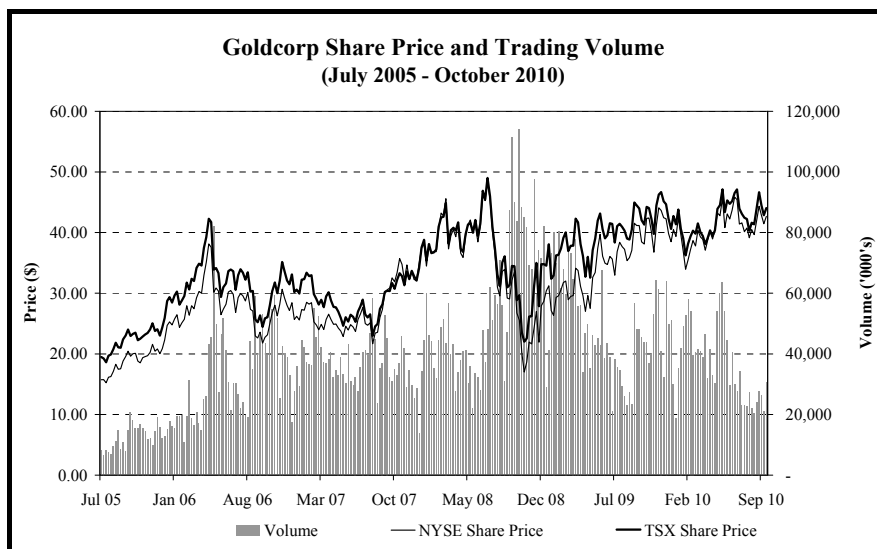
Source: Bloomberg

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The following graph illustrates the weekly movement in Goldcorp's share price (NYSE and TSX) and trading volumes (NYSE) since 1 July 2005:



Source: Bloomberg

Since July 2005, Goldcorp shares have traded in the range C\$18.54 to C\$51.22. Over this period, Goldcorp has substantially increased its reserves, resources and production as a result of organic growth, expansions and acquisitions.

After peaking at C\$51.22 on 14 July 2008, Goldcorp's shares fell to C\$18.75 on 27 October 2008 as global equity markets and the shares of gold producers fell sharply in response to the global financial crisis. Goldcorp's share price has since largely recovered and its shares have traded in a relatively narrower band of C\$35.58 to C\$48.26 since mid-2009.

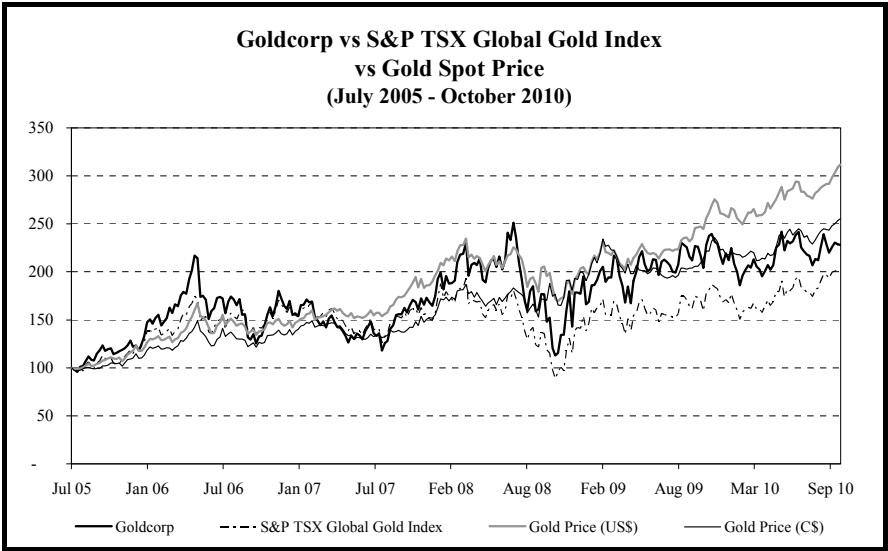
Goldcorp is a constituent of a number of indices including the Toronto S&P/TSX Composite Index and S&P/TSX Gold Index with weightings of approximately 2.32% and 18.42% respectively on 7 October 2010. Goldcorp is also included in the S&P/TSX Global Gold Index and S&P/TSX Global Mining index with weightings of approximately 12.25% and 4.00% respectively on 7 October 2010.

The following graph illustrates the performance of Goldcorp's shares since 1 July 2005 relative to the S&P TSX Global Gold Index and gold spot price expressed in United States and Canadian dollars:

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Source: Bloomberg

Over the period under review, the Goldcorp share price on the TSX has outperformed the S&P/TSX Global Gold Index. On the other hand, it has underperformed the gold price expressed in Canadian (and United States) dollars despite outperforming the Canadian dollar gold price from 1 July 2005 to the onset of the global financial crisis in mid-2008.

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6 Profile of the Combined Group

The combination of Andean and Goldcorp (the "Combined Group") will not be materially different to the standalone Goldcorp.

The Combined Group's activities will continue to be located throughout North, Central and South America albeit with a slightly greater exposure to Argentina. It should be noted that Goldcorp already has an interest in an operation in Argentina.

Goldcorp's gold reserves would be increased by 4.3% to 50.8 million contained ounces and its gold resources would increase by 3.4% to 94.2 million contained ounces, as at 31 December 2009²⁵:

Combined Group – Gold Reserves and Resources at 31 December 2009 ²⁵						
	Standalone Andean		Standalone Goldcorp		Combined Group	
	Moz	%	Moz	%	Moz	%
Gold reserves	2.1	4.1%	48.7	95.9%	50.8	100.0%
Gold resources	3.1	3.3%	91.1	96.7%	94.2	100.0%

Source: Andean, Goldcorp and Grant Samuel analysis

As Cerro Negro is not yet in production, the acquisition of Andean will have no impact on Goldcorp's current gold production and an immaterial impact on earnings. However, Goldcorp has stated that Cerro Negro has the potential to be of similar size and quality to other assets in Goldcorp's current asset portfolio.

The pro forma financial position of the Combined Group as at 30 June 2010 is summarised in the Scheme Booklet. The acquisition of Andean is not expected to have a material impact on Goldcorp's capital structure even if 100% of the Cash Consideration is taken up by Andean shareholders.

Following the implementation of the Proposal, shares held by Andean shareholders are expected to represent between 7% and 9% of the Combined Group's shares on issue. The actual proportion will vary depending on the amount of the Cash Consideration accepted by Andean shareholders.

²⁵ Analysis is based on Andean and Goldcorp's reported reserves and resources at 31 December 2009. Goldcorp's reserves and resources include Escobal and San Dimas and exclude El Morro and Comino Rojo. For the purposes of this analysis resources includes inferred resources.

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7 Valuation of Andean

7.1 Summary

Andean has been valued in the range US\$3,115-3,625 million, which corresponds to a value of \$5.89-6.85 per share at an exchange rate of A\$1.00 = US\$0.96. This represents C\$5.89-6.85 per share based on an exchange rate of A\$1.00 = C\$1.00. The valuation represents the estimated full underlying value of Andean and includes a premium for control. The value exceeds the price at which, based on current market conditions, Grant Samuel would expect Andean shares to trade on the ASX in the absence of a takeover offer.

The value for Andean is the aggregate of the estimated market value of Andean's Cerro Negro project and net cash as at 30 June 2010, less the capitalised value of corporate costs. The valuation is summarised below:

Andean - Valuation Summary ²⁶					
	Report Section Reference	Value Range			
		US\$ million		A\$ million	
		Low	High	Low	High
Cerro Negro Project	7.3	2,900	3,400	3,021	3,542
Corporate costs (net of savings)	7.5	(60)	(50)	(63)	(52)
Enterprise value		2,840	3,350	2,958	3,490
Net cash as at 30 June 2010 ²⁷	7.6	275	275	286	286
Value of equity		3,115	3,625	3,245	3,776
Shares on issue (million)		548.5	548.5	548.5	548.5
Value per share		5.68	6.61	5.92	6.88
Fully diluted shares on issue (millions)		551.7	551.7	551.7	551.7
Value per share fully diluted for options		5.65	6.58	5.89	6.85

The value attributed to the Cerro Negro project of US\$2,900-3,400 million is an overall judgement having regard to a number of valuation methodologies and parameters, including valuation evidence from the gold futures methodology, discounted cash flow ("DCF") analysis, comparable company analysis and valuation benchmarks commonly used in the gold sector.

Grant Samuel appointed AMC as technical specialist to review Andean's gold assets. AMC's role included a review of reserves and resources, development plans, production schedules, operating costs, capital costs and exploration potential. AMC prepared valuations of Andean's exploration interests. AMC's report is attached as Appendix 3 to this Report.

Grant Samuel's valuation analysis was based on valuation scenarios prepared in conjunction with AMC, reflecting AMC's judgments regarding the range of assumptions as to ultimate mining inventory, mine life, capital costs and operating costs that could reasonably be adopted for valuation purposes. Grant Samuel adopted a gold price assumption of US\$1,280-1,320 per ounce and a silver price assumption of US\$21.00-22.00 per ounce. The financial model for the Cerro Negro project projected US\$ cash flows from 1 July 2010 onwards. Present values were estimated using a range of discount rates.

The valuation is based on a number of important assumptions, including assumptions regarding gold and silver prices and future operating performance. Gold and silver prices and expectations

²⁶ Numbers might not add due to rounding.

²⁷ The net cash number as at 30 June 2010 has been adjusted for the proceeds of the August 2010 capital raising.

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regarding future operating performance can change significantly over short periods of time. Such changes can have significant impacts on underlying value.

Grant Samuel's valuation of the Cerro Negro project is essentially judgemental. The mining inventory assumed in the valuation cases includes significant amounts of material beyond current resources and includes material sourced from areas of mineralisation for which initial resource estimates are yet to be calculated. As a consequence, reserves defined as at the date of this report represent less than half of the assumed mining inventory forming the basis for the valuation cases. Although drilling results and other data gathered to date support the assumptions made, the degree of uncertainty surrounding the mining inventory is inherently greater than for a project for which the mining inventory is largely made up of reserves or well understood resources. There is therefore significant downside risk to the mining inventory estimates. However, it is conceivable that the amount of gold ultimately recovered at Cerro Negro could greatly exceed current expectations and the assumptions made in the valuation cases.

The valuation of Andean also reflects the following factors:

- the prospectivity of the project area remains high and Grant Samuel's valuation of Cerro Negro reflects a judgement that an acquirer would be prepared to pay a substantial premium to estimates of value of the Cerro Negro project based solely on known reserves and resources;
- the Cerro Negro project is still subject to permitting, development and commissioning risks typical of mining projects. However, in Grant Samuel's view, the impact of a potential manifestation of these risks on the value of the project is likely to be low. Cerro Negro's pre-production operating and capital costs are low compared to the value of the project and any additional costs incurred to remedy permitting, development and commissioning issues are likely to be limited;
- the profitability of the mine will be affected by Argentinean inflation and movements in the United States dollar / Argentinean peso exchange rate (among other factors). However, the impact of high inflation is likely to be mitigated by a corresponding devaluation of the Argentinean peso. Furthermore, the low cash cost position of the mine means that the impact of any cost inflation is likely to have no more than a limited effect on the value of the project; and
- Grant Samuel recognises that Argentina has a chequered economic track record, but has assessed the sovereign risk associated with Andean's operations in Argentina as relatively low.

Grant Samuel's valuation of Andean in the range of US\$3,115-3,625 million implies the following enterprise value multiples:

Andean – Implied Valuation Parameters (US\$/oz)			
	Variable (000's oz Gold)	Implied Multiple	
		Low	High
Gold reserves	2,072	1,371	1,617
Gold resources ²⁸	3,063	927	1,094

These multiples are very high compared to resource and reserve multiples for the selected listed comparable gold companies with development projects, which are trading on enterprise value to resources multiples in the range of 19–273. The major projects of these companies have varying characteristics and opportunities, which may in part explain the wide range of multiples. The multiples for these companies are set out in Appendix 2.

²⁸ Includes indicated and inferred resources.

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In reviewing the multiples set out above, the following comments are relevant:

- Andean is expecting to release maiden resource estimates for a number of recently discovered deposits in early 2011. Based on the latest drilling results, these additional resources are likely to significantly increase total resources, which would result in a substantial reduction in the multiples implied by the valuation;
- the valuation is based on a mining inventory that is significantly higher than the resources and reserves defined as at the date of this report and used for the multiples analysis set out above. The inclusion of additional material in the mining inventory is supported by drilling results and the general prospectivity of the project area; and
- the Cerro Negro mine is expected to operate at very low cash costs and the initial capital costs are low in comparison to the value of the project.

7.2 Methodology

7.2.1 Overview

Grant Samuel's valuation of Andean has been assessed by aggregating the estimated market values of its gold assets and adjusting for net cash. The valuation of the Andean's gold assets has been made on the basis of fair market value defined as the maximum price that could be realised in an open market over a reasonable period of time given current market conditions and currently available information, assuming that potential buyers have full information. Other assets have been valued on the basis of the net realisable value of those assets.

There are four primary methodologies commonly used for valuing operating businesses:

- capitalisation of earnings or cash flow,
- discounting projected cash flows ("DCF"),
- industry rules of thumb, and
- estimation of the aggregate proceeds from an orderly realisation of assets.

Each of these valuation methodologies has application in different circumstances. The primary criterion for determining which methodology is appropriate is the actual practice adopted by purchasers of the type of business involved.

Grant Samuel's preferred approach to valuing gold assets is through the application of the gold futures methodology. The gold futures methodology involves the valuation of future gold production by reference to the gold futures market. The present value of future gold production is estimated by discounting at discount rates that reflect the time value of money only (i.e. risk free rates). Similarly, future extraction costs (both capital and operating) are discounted to a present value using discount rates approximating risk free rates. The use of risk free rates is consistent with a view that there is limited systematic riskiness associated with variability in production profiles or extraction costs. Any systematic riskiness associated with the gold price is effectively reflected in the market based gold futures prices used to value future gold production.

Further information on the gold futures methodology is set out in Appendix 1.

While the gold futures methodology is Grant Samuel's preferred approach to valuing gold projects, many valuations of gold assets use discount rates and gold and silver price assumptions different to those adopted by Grant Samuel. Some North American analysts have historically used a zero discount rate when valuing gold assets. Accordingly, for illustrative purposes, Grant Samuel has calculated net present values for the gold assets of

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Andean on the basis of constant real gold prices in the range of US\$1,280-1,320 per ounce, silver prices in the range of US\$21.00-22.00 per ounce and a real discount rate of 0%.

Many Australian analysts employ conventional DCF analysis in their assessment of gold companies (although gold companies and gold projects are then commonly valued at some multiple of estimated NPV, which in Grant Samuel's view fundamentally undermines the reliability and utility of the DCF analysis). If discount rates are estimated using the Capital Asset Pricing Model ("CAPM") on the assumption that costs of capital for gold companies are set in international capital markets, then evidence suggests that betas for gold assets are close to zero. This would imply that discount rates should be around the risk free rate. If discount rates are estimated on the basis that costs of capital are set in (for example) the Australian market place, then much higher beta estimates are supportable.

Accordingly, Grant Samuel has also set out, for illustrative purposes only, the results of DCF analysis using nominal discount rates of 5% and 10%, which reflect rates that could be adopted depending on assumptions as to whether costs of capital for gold assets are set in international or Australian capital markets.

In addition, Grant Samuel has considered the option value inherent in mining operations, having regard to the cost structure, mine life and other characteristics of each of the mining operations of Andean.

Grant Samuel has also taken into consideration sovereign and other country specific risk. To the extent that a business is perceived as being particularly risky, this specific risk should be dealt with by adjusting the cash flow scenarios. This avoids the need to make arbitrary adjustments to the discount rate which can dramatically affect estimated values, particularly when the cash flows are of extended duration or much of the business value reflects future growth in cash flows. In addition, risk adjusting the cash flows requires a more disciplined analysis of the risks that the valuer is trying to reflect in the valuation. However, it is also common in practice to allow for certain classes of specific risk (particularly sovereign and other country specific risks) in a different way by adjusting the discount rate applied to forecast cash flows by a so-called country risk premium. Grant Samuel has not made any adjustment to the risk free rate and other discount rates used in its valuation of the Andean assets. The cash flows from the financial models developed for the purposes of the valuation have not been adjusted for sovereign risk. However, Grant Samuel has taken into account perceived sovereign risk in Argentina in its assessment of value of Andean.

Grant Samuel developed financial models for the Cerro Negro gold and silver project. The financial models were developed by Grant Samuel on the basis of operating models developed by AMC based on life of mine plans provided by Andean. AMC reviewed each of the technical assumptions in the operating models, including those regarding reserve estimates, production profiles, operating costs, capital costs and the potential for reserve extensions. Grant Samuel determined the economic and financial assumptions used in the financial models. The models project gold production and costs from 1 July 2010 onwards. The valuations of Andean's gold assets have been prepared as at 1 July 2010.

Alternative valuation methodologies have been considered as secondary evidence of value as to the value of Andean's gold assets. In particular, the estimates of value have been reviewed in terms of reserve and resource multiples and comparable company analysis. These alternative approaches to valuation are useful in determining the reasonableness of estimates of value based on valuation approaches such as the gold futures methodology and traditional DCF analysis, because these estimates are typically sensitive to the assumptions adopted.

Little weight has been placed on an analysis of comparative historical transactions. Implied multiples from historical transactions reflect the market conditions at the time of the transaction, in particular the gold price. Given that the US\$ gold price is currently at record

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highs, analysis of historical transactions concluded when gold prices were much lower is unlikely to yield useful valuation evidence.

The valuation of Andean represents Grant Samuel's overall judgements as to value. It does not rely on any one particular scenario or set of economic assumptions. The valuation has been determined having regard to the sensitivity of the financial analysis to a range of technical and economic assumptions. It incorporates Grant Samuel's judgemental assessment of the impact on value of factors such as development status, resource and reserve upside and optionality to the extent not reflected in the financial analysis.

The valuation of Andean represents Grant Samuel's assessment of full underlying value. It does not represent Grant Samuel's view of the likely share market value of Andean. Shares in listed companies typically trade at a discount to full underlying value.

The valuation is based on a number of important assumptions, including assumptions regarding gold and silver prices. The valuation also reflects the technical judgements of AMC regarding the prospects for Cerro Negro. Gold prices, silver prices and expectations regarding future operating parameters can change significantly over short periods of time. Such changes can have significant impacts on underlying value. Accordingly, while the values estimated are believed to be appropriate for the purpose of assessing the Proposal, they may not be appropriate for other purposes or in the context of changed economic circumstances or different operational prospects for Cerro Negro.

7.2.2 Valuation Assumptions

The valuation of the Cerro Negro project has been determined by reference to the gold futures methodology and other financial analysis. This analysis involves making a number of assumptions regarding gold prices, silver prices, economic factors and discount rates. The valuations are sensitive to the assumptions used in the analysis. Relatively small changes in certain variables can cause significant changes in estimates of value.

Key assumptions include:

- spot gold prices in the range of US\$1,280-1,320 per ounce, based on gold prices prevailing around 1 October 2010. For the purpose of the gold futures methodology, gold production is valued by reference to gold futures prices, estimated by escalating the current spot price at the risk free rate;
- spot silver prices in the range US\$21.00-22.00 per ounce, based on silver prices prevailing around 1 October 2010;
- a spot exchange rate of A\$1.00=US\$0.96;
- a risk free rate of 2.5%, based on the 10-year US Treasury Bond yield prevailing around 1 October 2010;
- United States inflation rates increasing from current consensus estimates to long term rates of 2.5% per annum from 2017 onwards;
- tax depreciation schedules determined on the basis of tax written down values for various asset categories. Accumulated carry forward expenditures that are deductible for tax purposes have been allowed for in the financial models; and
- Argentinean export tax of 4.76%, Santa Cruz Province royalty rate of 1%, Argentinean corporate tax rate of 35% and no withholding taxes on dividends paid out of Argentina.

7.2.3 Resources Projects and Optionality

The conventional gold futures methodology implicitly assumes that the rate of output from a mining operation is pre-determined. This methodology ignores the value inherent in

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management's ability to vary production and other operating parameters in reaction to changes in commodity prices or other circumstances. Management may change the rate of production of a mine, close or re-open the mine or in certain circumstances even abandon it. Accordingly, a mine may be regarded as an option (or series of options) over the resources it contains.

The value of management flexibility is illustrated by the example of a marginal mine, where the marginal cash production cost is equal to expected revenue. Application of the conventional discounted cash flow methodology would result in the estimate of a zero value for the mine. In reality, however, the mine will have some value, because management is able to reduce or cease production if marginal revenue falls below the marginal cash cost of production and to resume or increase production if commodity prices rise.

Similarly, the designs and long term development alternatives for many mines allow management to change operating plans in the light of future commodity prices and operating costs. Life of mine plans frequently involve mining marginal ore, making additional cut backs or making other operational decisions at some point in the future. However, management is commonly not required to commit to such decisions at the commencement of the mining project. Firm commitments are only required much later in the project, at which time management will be able to make decisions on the basis of the commodity prices and other circumstances then prevailing. The mining operations as they relate to (for example) the mining of marginal ore or a final cut back may be thought of as a series of call options exercisable at the marginal mining costs to be incurred at the time. These options represent additional value not captured by the conventional discounted cash flow or gold futures methodology.

An alternative perspective is that management flexibility results in changes in commodity prices having an asymmetric impact on the value of a mining operation. If commodity prices rise unexpectedly, the mine will earn greater revenue (and may be able to mine additional mineralisation not originally scheduled for production). If commodity prices fall unexpectedly, production will be curtailed or, in the worst case, stopped. The mine will not continue, in the long term, to be operated at a cash operating loss. By contrast, deterministic valuation models implicitly assume that there is some possibility of the mine operating on a long term basis at a cash operating loss, in the same way that it implicitly assumes that the mine may earn "super profits" as a result of a persistent increase in commodity prices.

Grant Samuel is aware of valuation methodologies which attempt to incorporate the option value associated with management flexibility, using a combination of conventional discounted cash flow analysis and option theory. However, the application of these methodologies is impractical in the context of the complex and unpredictable nature of mining operations. In making judgments on value, Grant Samuel has given general consideration as to the characteristics of the various mining operations and the value of management flexibility or underlying option value implicit in those characteristics. In particular, Grant Samuel has considered the extent to which:

- operations are marginal or incorporate significant resources, not currently planned for mining, of marginal economics (i.e. the operations represent or incorporate options "close to the money"); and
- length of mine life or other characteristics give management flexibility over the conduct of mining operations.

The valuation of each project includes a subjective assessment of the real option value inherent in the project.

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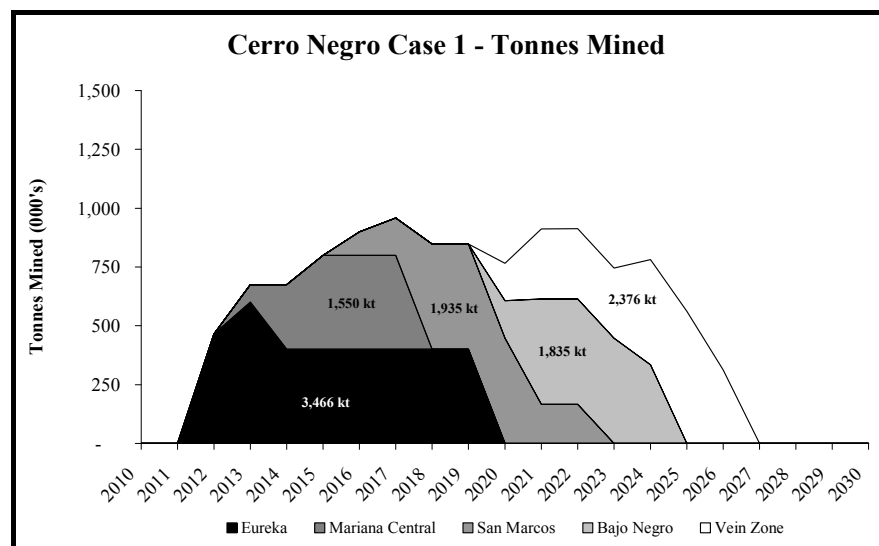
7.3 Cerro Negro

Grant Samuel has valued Andean's Cerro Negro project in the range US\$2,900-3,400 million, which equates to \$3,021-3,542 million at an exchange rate of A\$1.00 = US\$0.96.

The valuation of Cerro Negro is an overall judgement on value. The valuation reflects evidence as to value derived from the gold futures methodology, discounted cash flow analysis, comparable company analysis and valuation benchmarks commonly used in the gold sector, and takes into account the sovereign risk in Argentina.

Grant Samuel prepared detailed financial models for the Cerro Negro project. These models were based on two valuation cases, which incorporate production, capital and operating cost projections developed by AMC using information provided by Andean.

Case 1 assumes the mining of the currently delineated reserves at Eureka, Bajo Negro and Vein Zone and of material not yet in reserves at Eureka, Mariana Central and San Marcos. The following chart shows the contribution of each deposit to the mining inventory over the life of the project:

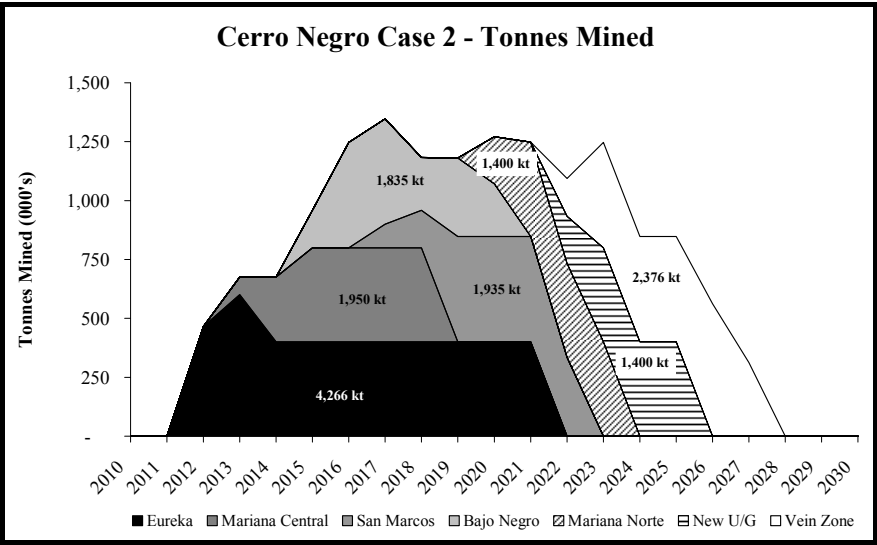


A total of 11.2 million tonnes of ore averaging grades of 11.7 g/t gold and 97 g/t silver and containing approximately 4.2 million ounces of gold and 35 million ounces of silver are mined over the life of the project. This represents 2.1 million ounces of gold and 14.5 million ounces of silver in excess of the currently delineated reserves. Mariana Central and San Marcos contribute most of the contained gold and silver not yet in reserves, with Eureka assumed to contribute 13% more contained gold than its currently delineated reserves. Case 1 assumes that slight modifications to the processing plant result in an increase in the maximum throughput rate from the initial 1,850 tonnes per day to 2,450 tonnes per day and includes an allowance for capital expenditure (as per the feasibility study). Operations continue until 2026 with total gold production of 4.0 million ounces and silver production of 29.9 million ounces over the life of the mine. Closure expenses totalling US\$5 million are incurred in 2027.

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Case 2 is an extension of Case 1 and includes incremental mining inventory from Mariana Central and Eureka, mining inventory from the Mariana Norte deposit and mining inventory from an assumed new deposit yet to be identified. The following chart shows the contribution of each deposit to tonnes mined over the life of the project:



Case 2 assumes the mining of an additional 4.0 million tonnes of ore containing 1.5 million ounces of gold and 10 million ounces of silver, which results in the mining of a total of 15.2 million tonnes of ore containing 5.7 million ounces of gold and 45 million ounces of silver. Of the total mining inventory, approximately 3.6 million ounces of gold is sourced from resources not currently in reserves or from mineralisation not yet delineated. Case 2 also assumes a 40% increase in the plant's processing capacity to 3,450 tonnes per day at a capital cost of US\$50 million. Operations cease in 2027 with closure expenses of US\$7 million incurred in 2028. In total, 15.2 million tonnes of ore are mined over the life of the project at average gold and silver grades of 11.7 g/t and 92 g/t, for gold production of 5.4 million ounces and silver production of 38.5 million ounces.

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The following table summarises projected production and costs for the two scenarios:

Cerro Negro – Model Parameters						
	Six mths to 31 Dec 2010	Year ended 31 December				Total Life of Mine
		2011	2012	2013	2014	
Case 1						
Ore milled (000's t)	-	-	466	675	675	11,161
Gold milled grade (g/t)	-	-	12.0	15.4	20.0	11.7
Gold production (000's oz)	-	-	169	319	412	3,985
Silver milled grade (g/t)	-	-	202	174	187	97
Silver production (000's oz)	-	-	2,605	3,225	3,500	29,940
Total cash costs (US\$/oz) ²⁹	-	-	(56)	(13)	(17)	92
Capital expenditure (US\$ million)	24	193	116	32	51	555
Case 2						
Ore milled (000's t)	-	-	466	675	655	15,161
Gold milled grade (g/t)	-	-	12.0	15.4	20.0	11.7
Gold production (000's oz)	-	-	169	319	412	5,399
Silver milled grade (g/t)	-	-	202	174	187	92
Silver production (000's oz)	-	-	2,605	3,225	3,500	38,507
Total cash costs (US\$/oz) ²⁹	-	-	(56)	(13)	(17)	95
Capital expenditure (US\$ million)	24	193	115	54	94	718

The results of the financial analysis are summarised below:

Cerro Negro – Results from Financial Analysis (US\$ million)			
	Gold and Silver Spot Prices		
	Gold: US\$1,280	Gold: US\$1,300	Gold: US\$1,320
	Silver: US\$21.00	Silver: US\$21.50	Silver: US\$22.00
Case 1			
Gold futures methodology	2,681	2,741	2,801
DCF - 0% real discount rate	2,499	2,556	2,614
DCF – 5% nominal discount rate	2,039	2,086	2,134
DCF – 10% nominal discount rate	1,468	1,503	1,538
Case 2			
Gold futures methodology	3,650	3,731	3,812
DCF - 0% real discount rate	3,398	3,475	3,552
DCF – 5% nominal discount rate	2,711	2,773	2,836
DCF – 10% nominal discount rate	1,881	1,925	1,970

Grant Samuel's valuation of Cerro Negro in the range US\$2,900-3,400 million takes into account the results of the financial analysis set out above. It also reflects the prospectivity of the project, the project's development and operating risks and sovereign risk in Argentina.

Grant Samuel's valuation of Cerro Negro reflects a judgement that an acquirer of the project would be prepared to pay a substantial premium to estimates of value for the Cerro Negro project based on current reserves, because of the upside potential in terms of ultimate mining inventory.

²⁹ Total cash costs are per ounce of gold produced and after refining charges and royalties.

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In particular, this premium reflects:

- the Eureka, Bajo Negro and Vein Zone deposits, which form the basis of the feasibility study and which account for all the reserves delineated to date at Cerro Negro, are still open and are expected to contribute to the mining inventory beyond the currently known reserves;
- drilling results received on the Mariana Central, San Marcos and Mariana Norte deposits, which were only discovered in late 2009 and were accordingly not included in the scope of the feasibility study, support the inclusion of material from these deposits in the mining inventory, despite the fact that no reserves or resources had been released for these deposits as at the date of this report. It should be noted however that Andean is aiming to release initial resource estimates for Mariana Central, San Marcos and Mariana Norte in early 2011;
- there is a high probability that further mineralisation, as yet unknown and not included in the valuation cases, will be identified and will support additional low cost production for a number of years. Cerro Negro is one of the world's most prospective known gold projects. A number of targets have undergone little or no testing, less than half of the known reef system has been tested and the type of epithermal deposits found on the property generally occur in swarms; and
- the topography of the project area allows for considerable flexibility in terms of potential expansions to the process plant, tailings storage facility and key infrastructure, which should allow Andean to optimise the economics of the project.

On the other hand, the valuation also reflects some risks associated with the Cerro Negro project:

- the project's Environmental Impact Report is yet to be approved by the Santa Cruz Province. Assessment of the permitting risk is inevitably subjective. However, the risk is real. For example, development of the Esquel mining project, located in the neighbouring Chubut Province, was blocked by the Chubut provincial authorities in 2003. Grant Samuel understands that development of the Esquel project was rejected because it is located next to a national park in an area where tourism is a major contributor to the local economy, it was opposed by the local residents for a number of reasons and the approval process was widely believed to have been poorly managed by the owner of the asset. These factors do not apply to the Cerro Negro project. The Santa Cruz authorities support mining activities and have approved a number of significant mining projects in the Province. In particular, the authorities granted approval for the development of the San Jose project, which is located some 25 kilometres north of the Cerro Negro project and in a similar ecological setting but closer to an environmentally sensitive river. Furthermore, Andean has been proactive in reducing the Cerro Negro project's environmental footprint, for example by opting for underground mining methods where possible, recycling the cyanide leach solution and lining the tailings dam. Although the rejection of the Environmental Impact Report would have a dramatic impact on the value of the project, Grant Samuel has assessed the probability of an outright rejection of the project development as low. A delay in receiving the approval, which could push back the development of the project, seems a more likely manifestation of permitting risk. However, based on Grant Samuel's estimates, a delay would most likely have a relatively small impact on the value of the project;
- Cerro Negro is subject to construction and commissioning risk. Ground conditions are moderate to good and only partially understood as Andean has only recently commenced development of a decline at Eureka and had not reached the ore zones as at the date of this report. Construction and commissioning risks are somewhat mitigated by the consistency and non-refractory nature of the ore, the proposed mining and processing methods, which are conventional and widely used, and the fact that several deposits are likely to be mined at the same time, which provides operational flexibility. Furthermore, the relatively low initial capital costs compared to the value of the project, the high gold grades and the expected low operating costs mean that the impact of cost overruns on the value of the project is likely to be limited;

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- a proportion of the Cerro Negro costs (e.g. labour) are incurred in Argentinean pesos and subject to Argentinean inflation. Forecasting Argentinean inflation rates is subject to a high degree of uncertainty as historical estimates and official forecasts are widely thought to be unreliable and there is little financial market evidence (e.g. government bonds) from which to draw conclusions on the financial markets' inflation expectations. Similarly, the US dollar / Argentinean peso exchange rate is openly managed by the Argentinean government and therefore influenced by more than just macro-economic factors. The shape of the US dollar / Argentinean peso exchange rate forward curve, which suggests a strong devaluation of the peso for the first five years, followed by a circa 20% revaluation the following year before experiencing further devaluation, illustrates the degree of uncertainty when forecasting the United States dollar / Argentinean peso exchange rate. High Argentinean inflation would normally be associated with and offset by a devaluation of the Argentinean peso. Cerro Negro's expected high operating margins mean that cost increases would have limited impacts on profitability. Overall, it appears reasonable to conclude that cost inflation is unlikely to have a material effect on the value of Cerro Negro; and
- while recognising that recent history suggests that sovereign risks should be carefully considered when operating in Argentina, Grant Samuel has assessed the level of sovereign risk associated with Andean's operations as fairly low. While sovereign risk can manifest itself in a number of other ways, mining operations in Argentina have in the past been in particular affected by variations in the export tax rate and social unrest. The Argentinean government's propensity to alter export taxes in general and the January 2008 withdrawal of export tax exemptions previously granted to mining companies suggest that an increase (or decrease) in the export tax rate is possible. For illustrative purposes, Grant Samuel has assessed the impact of a doubling of the export tax rate on the calculated net present values of the project. Such an increase would reduce the calculated NPVs by approximately US\$175 million in Case 1 and US\$235 million in Case 2 based on the gold futures methodology (a withdrawal of the tax would have a positive impact of an equivalent amount). Social unrest and the disruption it might cause to the operations is another known risk factor. The effect of such disruption on Andean's operations is likely to be a delay in production (as opposed to outright closure of Cerro Negro) and the incurring of fixed costs while production is halted. Overall, the potential impact of social unrest on Cerro Negro's operations is likely to be limited.

7.4 Exploration Assets

Grant Samuel has attributed no value to Andean's regional exploration assets based on AMC's advice that these assets are immaterial to the overall value of Andean.

Andean's exploration interests are Las Mellizas, La Esperanza, San Agustin and Mancha Blanca. These assets are located in the Santa Cruz Province and cover an area of over 25,000 hectares within the Deseado Massif. Some drilling, rock chip sampling, mapping and trenching has been carried out by previous owners of these properties. Andean has compiled these results but has not undertaken any significant work itself at these properties. AMC considers these properties to be grassroots opportunities that require basic exploration activities and has accordingly deemed these properties to be immaterial in the context of the overall value of Andean.

7.5 Corporate Costs

Andean incurs corporate costs that have not been included in the valuations of the Cerro Negro project. The costs include expenses associated with maintaining a head office, the executive management team and finance, human resources and administration activities. It is likely that a significant portion of these costs could be eliminated by a corporate acquirer. An allowance of US\$50-60 million has been made in the valuation for the capitalised value of the residual overhead costs.

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7.6 Net Cash

Andean had net cash of \$62 million as at 30 June 2010, which corresponds to US\$60 million at an exchange of A\$1.00 = US\$0.96. Grant Samuel has adjusted this net cash balance for the \$224 million (estimated, net of costs) raised through the August 2010 institutional capital raising. This corresponds to US\$215 million at an exchange of A\$1.00 = US\$0.96. The adjusted net cash for the purposes of the valuation is US\$275 million.

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8 Valuation of the Share Consideration

8.1 Summary

The Share Consideration is 0.14 ordinary shares in Goldcorp for each Andean share. Grant Samuel has attributed a current value to the Share Consideration of \$6.02-6.58 per Andean share based on a Goldcorp share price in the range C\$43.00-47.00. This represents C\$6.02-6.58 per share based on an exchange rate of A\$1.00 = C\$1.00.

The after tax value of the Share Consideration will vary depending upon the particular tax position of individual shareholders. However, Australian resident shareholders are expected to be able to utilise the "rollover relief" provisions and therefore defer any taxation until ultimate disposal of the Goldcorp shares received through the Proposal.

It is possible that the Goldcorp share price could move outside the range C\$43.00-47.00 between the date of this report and the implementation of the Proposal (currently expected to be December 2010). The value of the Share Consideration will vary with movements in the Goldcorp share price and the Australian dollar/Canadian dollar exchange rate, amongst other factors. Accordingly, until the Proposal is implemented, Andean shareholders are exposed to factors including:

- changes in overall equity market conditions;
- movements in the gold price;
- exchange rate movements; and
- specific events that could affect the Goldcorp share price.

The actual value of the Share Consideration to be received by Andean shareholders could therefore be greater or less than \$6.02-6.58 (C\$6.02-6.58) per Andean share.

8.2 Approach

The Proposal involves a change of control of Andean. The board and management of Goldcorp will assume control of Andean and Andean shareholders will own only around 7-9% of Goldcorp. In these circumstances, the relevant benchmark for Andean shareholders is the expected market value of the shares in Goldcorp received as Share Consideration. This assessment requires an estimate of the trading price after the Proposal is implemented (rather than a pre-bid price).

It is normal practice to use the current market price as the starting point for estimating the value of an offer, particularly where the bidder is a relatively large company that enjoys high levels of liquidity and is closely followed by a wide range of analysts and other commentators.

An alternate method would be to estimate the underlying value of a combined Andean and Goldcorp and then to apply a discount to reflect a portfolio interest in the Combined Group. Grant Samuel has not had access to the detailed financial and operational information on Goldcorp (such as earnings and operational forecasts or life of mine plans) to undertake such a fundamental analysis of the value of the Share Consideration. In any event, the market assessment of the value of the Share Consideration is arguably more relevant and reliable than a theoretical estimate of a future trading price for the Combined Group.

In considering the reliability of Goldcorp's share market price as an indicator of the value of the Share Consideration, Grant Samuel has considered whether Goldcorp's share price is a true reflection of the fair market value of Goldcorp's shares. In particular, Grant Samuel has considered whether there is any evidence of abnormal trading activity in Goldcorp's shares, whether there is any basis for judging that Goldcorp shares appear mispriced, and whether there is any important information about Goldcorp which could affect the share price but is not in the public domain. Specifically, Grant Samuel has:

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- analysed the recent trading in Goldcorp's shares;
- reviewed broker analyst research on Goldcorp; and
- analysed the impact of the Proposal on Goldcorp's key financial metrics.

8.3 Share Price Performance

Goldcorp's share price performance since July 2005 is discussed in Section 5.7. In general Goldcorp's shares have outperformed the S&P/TSX Global Gold Index but underperformed the gold price. Historically there has been a strong relationship between the gold price and gold equities. However, there appears to have been a dislocation between gold equities and physical gold since the global financial crisis, potentially because investors have judged that physical gold is a safer investment than gold equities during times of extreme economic uncertainty. Gold equities have in general underperformed relative to physical gold. Goldcorp's shares have similarly underperformed relative to physical gold.

Goldcorp's outperformance against the S&P/TSX Global Gold Index over this period reflects, in part, the strong increase in Goldcorp's production and reserves. Goldcorp's shares appear to exhibit typical trading behaviour. Significant share volumes are traded and there are no obvious restraints on trading or trading liquidity.

Over the last six months Goldcorp's shares have generally traded in the range C\$37.52-47.30. Following the announcement of the Proposal in early September 2010, Goldcorp's shares have traded, in general, between C\$42.60 and C\$46.18.

8.4 Goldcorp Trading Multiples

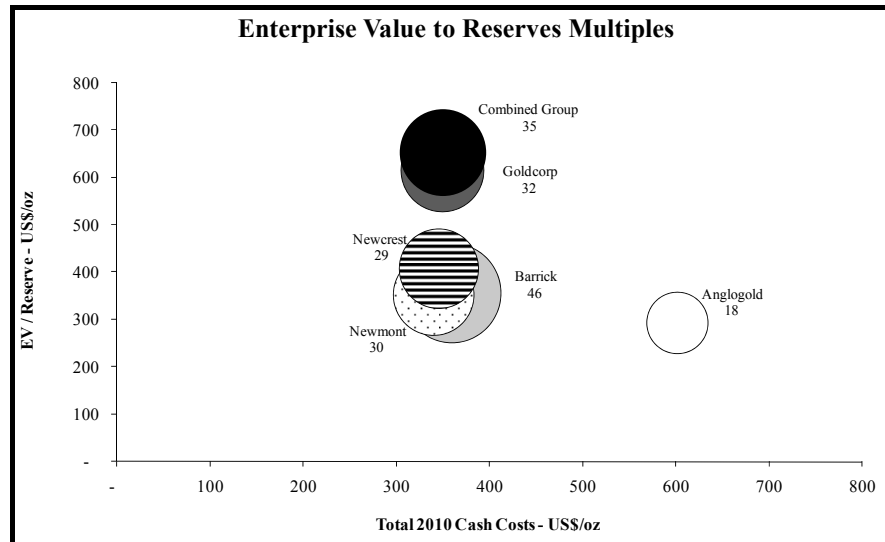
Grant Samuel has compared Goldcorp's reserve and production trading multiples with those of Goldcorp's peers being Barrick, Newmont, Anglo Gold and Newcrest, which are all similarly large diversified international gold mining companies. Although readily calculable from public sources, this analysis has its limitations because it reflects the reserve and production metrics of the peer group only at a point in time and does not account for the different economics (grades, recoveries, cash costs, capital costs, etc.) associated with each peer's reserves and production. Moreover, it does not reflect future growth potential or expected changes in cash costs. In contrast, equity markets tend to place greater emphasis on future performance versus current or historical performance. Despite its limitations, the reserve and production multiple analysis provides some context for a peer group comparison.

Goldcorp's reserve and production trading multiples are illustrated in the following graphs on a standalone basis (based on Goldcorp's share price prior to the announcement of the Proposal) and on a combined basis (based on Goldcorp's current share price):

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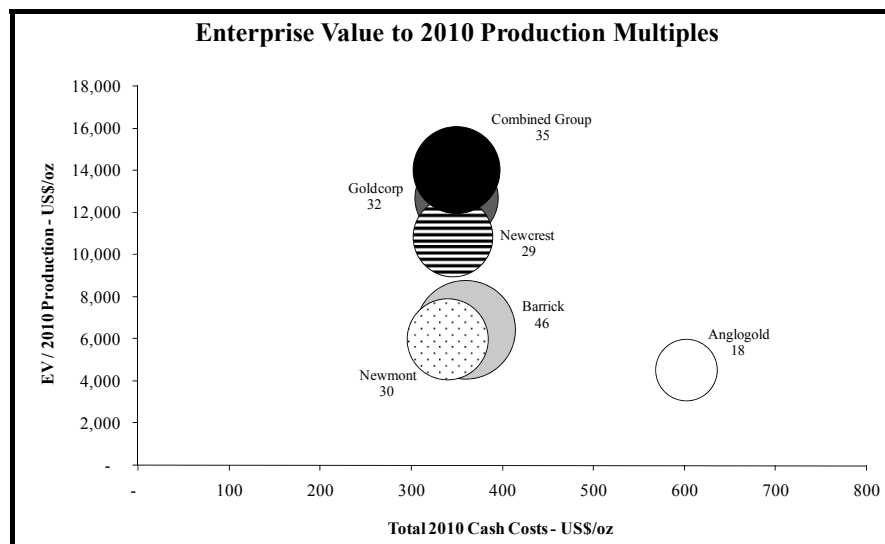
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Source: Bloomberg, Company Reports

Note: Based on Reserves and Resources at 31 December 2009 (adjusted for asset sales and acquisitions) and closing share prices on 1 October 2010



Source: Bloomberg, Company Reports

Note: Represents each company's production forecast for the year ending 31 December 2010, except Newcrest which represents pro forma production for the combined Newcrest and Lihir for the year ended 30 June 2010, and closing share prices on 1 October 2010.

The Combined Group's reserve multiple is higher than Goldcorp's standalone reserve multiple, reflecting the fact that Andean has historically traded at a high reserve multiple based on the prospectivity of Cerro Negro.

Similarly, the Combined Group's production multiple is higher as Andean will not be contributing any production in 2010.

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Goldcorp is trading at reserve and production multiples that are generally at the top end of the range of reserve and production multiples for broadly comparable companies. The question for Andean shareholders is whether these higher multiples are reasonable and sustainable. Theoretically, Goldcorp should trade at higher reserve and production multiples than its peers if the market believes that it has greater growth opportunities or has a sustainable cost advantage. Goldcorp is projecting production growth of over 50% between 2010 and 2014 from the ramp up of production at Peñasquito, increased production at Red Lake/Cochénour and commencement of Pueblo Viejo. In addition, Goldcorp currently has cash costs in line with most of its peers but its incremental production over the next several years is expected to be lower cost.

8.5 Broker Forecasts

At its TSX closing price on 1 October 2010 of C\$44.55, Goldcorp was trading well below the range of brokers' target prices for Goldcorp shares:

Goldcorp – Broker Target Prices			
Broker	Date of Report	Price	C\$ Price
Broker 1	24-Jun-10	US\$46	48
Broker 2	29-Jul-10	US\$55	57
Broker 3	29-Jul-10	US\$62	64
Broker 4	29-Jul-10	C\$61	61
Broker 5	3-Sep-10	C\$55	55
Broker 6	3-Sep-10	US\$40	42
Broker 7	7-Sep-10	US\$25	26
Broker 8	7-Sep-10	C\$53	53
Broker 9	13-Sep-10	C\$54	54
Broker 10	13-Sep-10	C\$52	52
Broker 11	15-Sep-10	US\$58	60
Broker 12	16-Sep-10	US\$56	57
Broker 13	16-Sep-10	US\$60	62
Broker 14	16-Sep-10	US\$58	60
Broker 15	17-Sep-10	US\$59	61
Broker 16	17-Sep-10	US\$55	57
Broker 17	21-Sep-10	US\$47	48
Broker 18	22-Sep-10	US\$53	55
<i>Low</i>			26
<i>High</i>			64
<i>Median</i>			56
<i>Average</i>			54

Source: Brokers reports

Note: US dollar target prices are converted to Canadian dollars at the closing exchange rate on the day of the broker report

Most of these reports were published after the announcement of the Proposal. Very few of the brokers have amended their target prices since the announcement of the Proposal, which potentially reflects the fact that the acquisition of Andean is not a significant transaction for Goldcorp (as outlined in Section 6, Goldcorp's gold reserves would increase by 4.3% and gold resources would increase by 3.4% following the Proposal). The United States dollar denominated gold price has increased since the Proposal was announced and Goldcorp conducted analyst site visits to three of its Canadian mining operations in mid September.

The target prices generally represent 12-month target prices rather than current valuations by the relevant brokers. Accordingly, it is to be expected that Goldcorp shares would be trading at a discount to the brokers' target prices although the discount implied by the target prices tabled above is significant and its extent not easily explained. Goldcorp has announced strong production

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growth over the next few years which could, in part, explain the discount. This explanation is supported by the higher implied multiples identified in the comparable company multiple analysis.

It is difficult to infer any clear evidence as to the likely trading range for Goldcorp shares from the brokers' price targets. However, at a minimum, the analysis of the brokers' price targets suggests that the consensus view of brokers would be that Goldcorp's current share trading range is at worst sustainable.

8.6 Non Public Information

Grant Samuel has not had access to non public information in relation to Goldcorp. However, as a reporting issuer in the United States and Canada, Goldcorp is required to comply with applicable United States and Canadian securities laws governing continuous disclosure, as well as stock exchange rules, which require timely disclosure of material information to the market.

Although Grant Samuel has not conducted an in depth comparison of these policies and reporting guidelines with the comparable ASX requirements, there are strong similarities. For example, the Canadian Policy Statement on Timely Disclosure states that:

- a listed company is required to disclose material information upon the information becoming known to management; and
- material information is defined as any information relating to the business and affairs of a company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the company's listed securities.

This policy is comparable with the disclosure requirements of companies listed on ASX. A comparison of the relevant Australian and Canadian laws is outlined in the Scheme Booklet.

In addition, Andean has confirmed to Grant Samuel that its due diligence investigation of Goldcorp did not identify any information not already in the public domain that, in its view, would be likely to have a material impact on the share price.

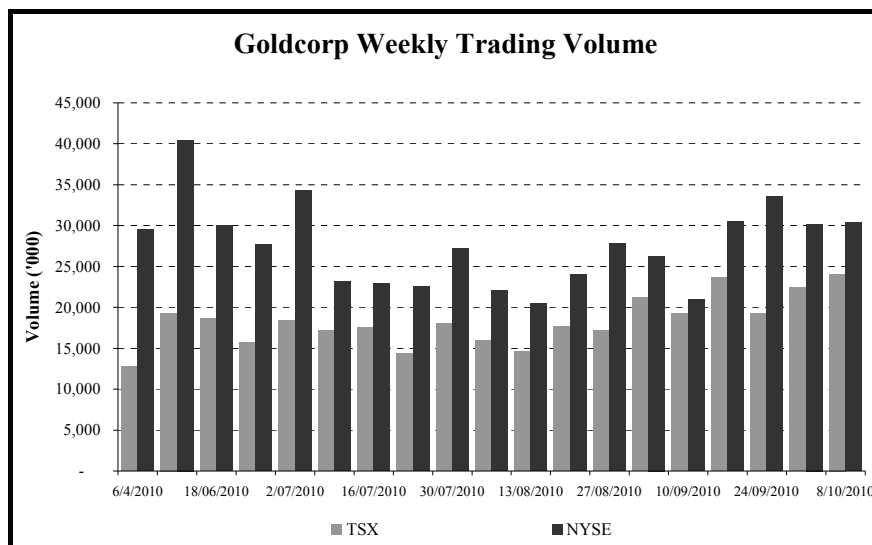
Accordingly, Grant Samuel believes it is reasonable to conclude that the market is fully informed in regard to Goldcorp's business and financial position.

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8.7 Share Trading

The average weekly volume of trading in Goldcorp shares since 1 June 2010 is summarised below:



Source: Bloomberg and Grant Samuel analysis

The average weekly volume of shares traded and the average weekly number of share trades since the announcement of the Proposal have been in line with historical averages.

8.8 Impact of the Proposal

The acquisition of Andean would not have a major impact on Goldcorp's operations and financial metrics.

The market has had limited financial information on the Combined Group. No detailed financial information on the Combined Group was provided at the time of the announcement of the Proposal. The Scheme Booklet only includes pro forma historical financial information for the Combined Group for the six months ended 30 June 2010 and the year ended 31 December 2009, which does not include any estimate of potential synergies or costs savings associated with the Proposal.

On the other hand, analysis of the Proposal is reasonably straightforward and there is no real change in the nature of Goldcorp – it will continue to be a senior gold mining company with assets in North, Central and South America, albeit with a slightly greater exposure to South America, and with low gearing. Moreover, the combination of the Goldcorp and Andean businesses is not expected to result in material cost savings, given the nature of both businesses and their corporate structures. Cost savings are expected to be limited to costs associated with Andean's board, senior management and offices in Australia and United States and other costs associated with being a listed company.

8.9 Conclusion

Share prices of gold companies tend to be volatile. Share prices can move significantly as a result in movements in the United States dollar denominated gold price, currency movements and shifts in global investor sentiment in relation to factors such as currency integrity and future inflation rates. In addition, share prices can fluctuate, perhaps significantly, depending on company

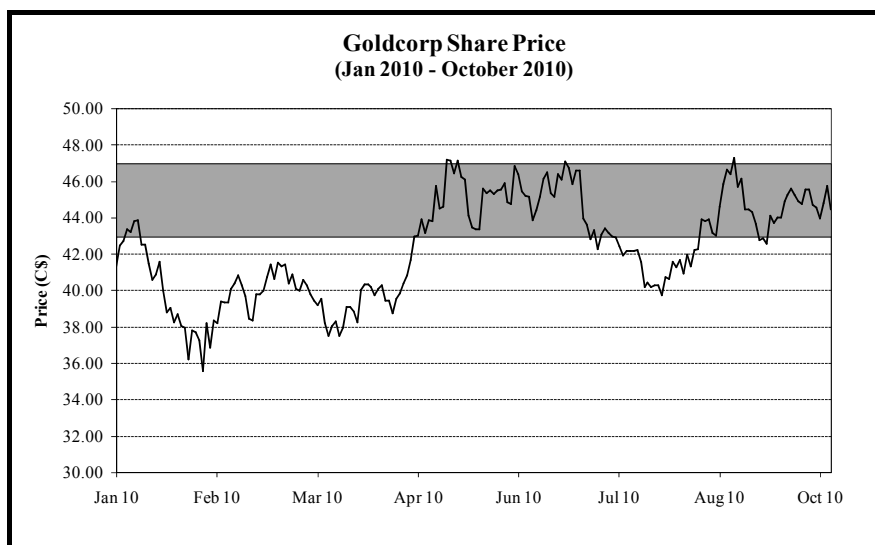
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specific operational issues. As a consequence it is not possible to be definitive about the likely market value of Goldcorp shares after the Proposal is implemented.

Grant Samuel's judgement is that it is reasonable to adopt a Goldcorp share price range of C\$43.00-47.00 per share for the purpose of valuing the Share Consideration. The share price range relative to recent Goldcorp share trading history is show below:



Source: Bloomberg

Grant Samuel believes that it is reasonable to adopt this range for the following reasons:

- the range of C\$43.00-47.00 reflects the most recent share market trading in Goldcorp shares. It represents the market's current assessment of the trading value of Goldcorp;
- while the range implies high multiples of reserves, resources, and production, Goldcorp has historically traded on high multiples. Analysis of Goldcorp's production costs and expected growth in production indicates that there are good reasons for Goldcorp's shares to trade at premium multiples;
- Goldcorp is followed by numerous brokers. The Goldcorp share price range adopted by Grant Samuel is materially below the majority of the brokers' target prices for Goldcorp. While brokers' price targets need to be treated with caution, it appears that the majority of brokers are expecting a strengthening of the Goldcorp share price over the next year;
- there have been reasonable volumes of trading in Goldcorp shares since the announcement of the Proposal; and
- analysis of the combined Goldcorp and Andean is relatively straightforward and there is no reason to believe that market participants are materially mis-pricing the effect of the combination of Goldcorp and Andean.

Overall, Grant Samuel has no reason to challenge the conclusion that recent Goldcorp share prices represent an objective market based assessment of the trading value of Goldcorp. Based on an Australian dollar / Canadian dollar exchange rate of A\$1.00 = C\$1.00 and an exchange ratio of 0.14, the value of the Share Consideration is estimated at \$6.02-6.58 per share. The value of the Share Consideration will vary with movements in the Goldcorp share price and the Australian dollar / Canadian dollar exchange rate. The actual value received by Andean shareholders could therefore ultimately exceed or be less than \$6.02-6.58 (C\$6.02-6.58) per Andean share.

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9 Evaluation of the Proposal

9.1 Conclusion

In Grant Samuel's opinion, the Proposal is in the best interests of Andean shareholders, in the absence of a superior proposal.

Grant Samuel has estimated that the full underlying value of Andean, including a control premium, is in the range \$5.89-6.85 (C\$5.89-6.85) per share. Grant Samuel has attributed a value of \$6.02-6.58 (C\$6.02-6.58) per Andean share to the Share Consideration, based on recent Goldcorp share prices of C\$43.00-47.00 per share. The value attributed to the Share Consideration falls within the valuation range for Andean. In addition, the Cash Consideration of \$6.50 per share (based on a Cash Consideration of C\$6.50 per share and an exchange rate of C\$1.00 = \$1.00 on 1 October 2010) falls within the valuation range. Accordingly, the Proposal is fair and is therefore also reasonable.

The Proposal represents a significant premium to Andean's pre announcement share price.

Other important factors which Andean shareholders should consider are:

- the Proposal was the outcome of a competitive process whereby Andean and its advisers conducted discussions with a select group of potential suitors following the receipt of an unsolicited proposal from a third party;
- until the Scheme is approved, there is nothing preventing a counter bidder from making a superior proposal and Andean may consider an unsolicited proposal that is, or would reasonably be expected to result in, a superior proposal (although Andean may not solicit competing proposals). However, Goldcorp has the right to match any superior proposal, which may reduce the likelihood of a counter bidder coming forward;
- in the absence of a higher offer from a third party before the Scheme Meeting, it will be reasonable to conclude that the Proposal represents the highest value currently realisable for Andean. On one view this would by definition mean that the Proposal represents full underlying value and is fair and reasonable;
- Goldcorp and Sentient, Andean's largest shareholder which holds approximately 20.5% of the share in Andean, have entered into a call option agreement in relation to a 19.7% interest in Andean. The call option is only exercisable between March 2011 and April 2011 and terminates if a superior proposal is made by a third party. Sentient has advised Andean that it intends to vote its shares in favour of the Scheme, in the absence of a superior proposal and subject to the independent expert concluding, and continuing to conclude, that the Proposal is in the best interests of shareholders;
- in the absence of the Proposal, shareholders would be unlikely in the short term to realise the value delivered by the Proposal (assuming the continuation of current market conditions) through selling their Andean shares in the ordinary course of share market trading;
- the Proposal provides increased diversification for Andean shareholders in terms of both assets and geographic exposure;
- Grant Samuel's judgement is that sovereign risk has limited impact on the underlying value of Andean's assets. Shareholders of Andean who believe that Argentinean sovereign risk is a significant issue that materially affects the value of Andean and its assets would presumably take a less positive view than Grant Samuel on the overall value of Andean, which would tend to reinforce the conclusion that the Proposal is in shareholders' best interests. (On the other hand, Andean shareholders should understand that Goldcorp's operations are not completely immune from the impact of sovereign risk);

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- the consensus 12-month target price from analysts covering Goldcorp stock is significantly higher than Goldcorp's current share price and, if achieved, would deliver significantly more value than Grant Samuel's estimate of the value of the consideration. To the extent that they receive the Share Consideration, Andean shareholders will be exposed to the potential uplift in Goldcorp's share price;
- with an approximate 7-9% interest in the Combined Group, the exposure of Andean shareholders to any potential upside in Andean's assets is heavily diluted. However, Andean shareholders will gain exposure to Goldcorp's portfolio of growth assets, some of which are located in Argentina and other South American countries; and
- Andean shareholders will be exposed to Goldcorp's operating risks and the risk of a downwards re-rating of Goldcorp's shares. Goldcorp shares trade at high multiples of reserves and production by comparison with its peer group. While there appear to be good reasons for Goldcorp to enjoy a superior share market rating (principally its low production costs, expectations of strong low cost production growth and pipeline of low cost development projects), there is a risk that a market re-assessment of Goldcorp could result in a fall in its share price.

9.2 Fair and Reasonable

The value attributed by Grant Samuel to the Share Consideration of \$6.02-6.58 (C\$6.02-6.58) per share falls within the valuation range for Andean. The Cash Consideration of \$6.50 (C\$6.50) per share falls within the valuation range. Accordingly, the Proposal is fair and therefore also reasonable.

Moreover, the structure of the Proposal provides Andean shareholders with optionality because they can vary the amount of cash they choose to receive depending on the Goldcorp share price as at the time they elect between the Share Consideration and Cash Consideration. The value of this optionality will depend, amongst other factors, on the Goldcorp share price at the time of election and may vary depending upon the specific circumstances of individual shareholders. Grant Samuel has not attributed any separate value to this optionality.

Because of Goldcorp's exposure to gold, copper and other metals, the value of the Share Consideration expressed in Australian dollars will vary with movements in gold, copper and other metals prices, exchange rates and other factors. However, the underlying value of Andean should move broadly in line with the value of the Share Consideration as gold and silver prices and exchange rates move. Similarly, the value of the Cash Consideration expressed in Australian dollars will vary with the Australian dollar / Canadian dollar exchange rate.

A control premium is the difference between the price paid for a controlling holding of securities and the market price of those securities in the ordinary course of share market trading. Based on the VWAP for Goldcorp shares for various periods prior to the announcement of the Proposal, the consideration represents a significant premium to the Andean pre announcement share prices:

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Proposal – Implied Premiums at Announcement (2 September 2010)						
Date/Period	Andean (\$)	Goldcorp (\$)	Premium	Premium - Share Consideration		Prem - Cash Consideration
				\$6.02	\$6.58	\$6.50
Pre-announcement price	4.89	48.16	38%	23%	35%	33%
1 day VWAP	4.91	48.04	37%	23%	34%	32%
5 days VWAP	4.85	49.05	42%	24%	36%	34%
1 month VWAP	4.36	46.15	48%	38%	51%	49%
3 month VWAP	3.80	48.00	77%	58%	73%	71%

Source: Bloomberg and Grant Samuel analysis

Note: Premia based on Cash Consideration of C\$6.50 and an exchange rate of C\$1.00 = \$1.00 on 1 October 2010 giving an implied consideration of \$6.50 per Andean share.

The Share Consideration implies a premium to Andean's VWAP before the announcement of the Proposal in the range 23-38% at the lower end and 35-51% at the higher end, excluding the premium to the three month VWAP. The premium to the three month VWAP is materially higher, with Andean shares trading at much lower prices prior to the announcement of drilling results at Cerro Negro in mid-July. Given that Andean shareholders will hold only approximately 7-9% in the Combined Group, the proposed transaction is clearly a change of control transaction. The premium being paid by Goldcorp is broadly consistent with premiums in the range of 20-35% typically paid in the case of change of control transactions.

9.3 Alternative Proposal

In weighing up any offer, shareholders need to have regard to the alternatives that are realistically available to them.

It is possible (at least in theory) that an alternative superior offer could be made for Andean. Andean's Cerro Negro project is likely to be attractive to a number of potential acquirers, including companies that did not take part in the sale process conducted by Andean and its advisers.

There are factors that suggest that an alternative offer is unlikely:

- the Proposal was the outcome of a competitive process whereby Andean and its advisers conducted discussions with a select group of potential suitors following the receipt of an unsolicited proposal from a third party. Other potential acquirers have had an opportunity to make counter-proposals but have not done so;
- until the Scheme is approved, Andean may consider an unsolicited proposal that is, or would reasonably be expected to result in, a superior proposal (although Andean may not solicit competing proposals). However, Goldcorp has the right to match any superior proposal, which may reduce the likelihood of a counter bidder coming forward;
- the approximately \$36 million break fee is not insignificant given the size of Andean; and
- given Goldcorp's relatively high market rating, it can arguably offer greater value to Andean shareholders than could many of its peers.

However, an alternative offer remains a possibility. Given the size, prospectivity and expected profitability of the Cerro Negro project, it is reasonable to assume that all the major gold companies that could potentially be interested in an acquisition of Andean are aware that Andean is "in play" and are considering their options. The transaction documentation prepared in relation to the Proposal will provide additional information that could assist a potential third party acquirer to formulate a counter-proposal. In the absence of any counter-proposal before the Scheme meeting, there are strong grounds to conclude that the Proposal represents the highest value

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currently realisable for Andean. On one view, this would definitionally confirm that the consideration offered under Proposal represents full underlying value and is fair and reasonable.

9.4 Standalone Alternative

Andean shareholders could choose to vote against the Proposal and pursue a “stand alone” strategy. One basis for this might be a view that shareholders would realise more value at a later date through continued ownership of Andean and exposure to the development of Cerro Negro. The Cerro Negro project is very prospective and could yield further discoveries. The start of construction is imminent (although subject to permitting approval). Funding risk seems limited as Andean had a net cash balance, adjusted for the August 2010 capital raising, of US\$275 million as at 30 June 2010 and initial capital requirements of US\$275 million to develop the project. On the other hand, the valuation of Andean takes into account the value of Andean's growth prospects. The valuation assumes a material expansion of the Cerro Negro mining inventory, with ultimate total contained gold mined assumed to be more than twice current gold in reserves. The Proposal allows Andean shareholders to realise the value of this upside in the short term, rather than having continued exposure to the development risks associated with Andean's growth prospects. Moreover, while Cerro Negro is highly prospective, there is no guarantee that its long term expansion will ultimately be of the scale assumed in Grant Samuel's valuation.

In addition, Goldcorp has characteristics that are relatively attractive by comparison with those of Andean on a standalone basis, including:

- greater market capitalisation, share trading liquidity and market profile, which should make it relatively attractive to gold investors and deliver a lower cost of capital; and
- a more geographically and operationally diversified business, with very strong growth prospects.

On the other hand, these factors should already be reflected in Goldcorp's current share price and therefore in Grant Samuel's assessment of the value of the Share Consideration.

Grant Samuel believes that if the Proposal was not implemented there would be a risk of a material decline in Andean's share price. The Proposal delivers a significant premium for control, which would not be available to Andean shareholders in the short term in the context of share market trading for Andean on a standalone basis.

9.5 Disadvantages and Transaction Costs

The key risks of the Proposal for Andean shareholders relate to the market performance of Goldcorp shares and to the different risk profile of Goldcorp (versus Andean).

Goldcorp's shares are trading at reserve and production multiples that are generally at the top end of the range of reserve and production multiples of its peer group. Goldcorp's low production costs and expected strong growth in low cost production suggest that there are good reasons for Goldcorp's premium rating, but there is a risk that some change in market perception could result in a re-rating and, potentially, a decline in Goldcorp's share price.

Goldcorp operates in jurisdictions in Central and South America in which the level of sovereign risk is likely to be broadly similar to or higher than that of Argentina, in particular Guatemala. However, between 67 and 80% (depending on the parameter considered) of Goldcorp's resources, reserves and 2009 production are attributable to mines and projects that are located in North America, where sovereign risk is considered to be lower than in Argentina.

Moreover, the breadth of Goldcorp's asset portfolio means that Goldcorp has the benefit of natural risk diversification (while recognising that Andean shareholders can also achieve risk diversification through portfolio allocation decisions). Consequently, it appears reasonable to conclude that an investment in Goldcorp is less exposed to sovereign risk than an investment in Andean. Similarly, while Goldcorp is exposed to the same kinds of mine development and

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operating risks as those to which Andean is exposed, Goldcorp enjoys the risk diversification benefits of a large portfolio of projects (many of which are in operation and therefore no longer subject to development risk) as well as the financial and human resources of a senior gold producer.

Overall, the risk characteristics of Goldcorp should be well understood by analysts and investors and should be reflected in the Goldcorp share price. However, Andean shareholders should understand that any extreme manifestation of operating or sovereign risks could have a material adverse effect on the Goldcorp share price. The extent of this effect could be exacerbated by a market re-assessment of the premium rating (on the basis of reserve and production multiples) that Goldcorp shares currently enjoy.

Andean shareholders currently have exposure to 100% of the development upside (and risks) associated with Cerro Negro. Andean shareholders' leverage to further success (as well as risks) at the Cerro Negro project will be reduced if the Proposal proceeds. In the other hand, Andean shareholders will gain exposure to the upside potential (and risks) of the Goldcorp property portfolio.

The new Goldcorp shares that Andean shareholders will receive as part of the Share Consideration will be listed on the TSX and NYSE. They will not be listed on the ASX. Australian Andean shareholders will be required to establish an international trading account if they wish to sell their Goldcorp shares.

Goldcorp has estimated that the total transaction costs of the Proposal will be approximately \$57 million. These costs are one off costs and are not material in the overall context of the Proposal. Of the total transaction costs, approximately \$3 million will have been incurred or committed at the time that Andean shareholders vote on the Proposal. The incremental transaction costs that will be incurred if the Proposal proceeds are approximately \$54 million. Given that Andean shareholders will hold only around 7-9% of the shares in Goldcorp following implementation of the Proposal, the transaction costs will in any event effectively largely be funded by Goldcorp shareholders.

9.6 Ineligible Foreign Securityholders

Ineligible foreign securityholders will not receive Goldcorp shares. The Goldcorp shares that would otherwise have been issued to them will instead be issued to a nominee in trust for such shareholders, who will sell the shares and distribute pro rata the net proceeds to them. They may also have to pay tax on any profit on the disposal of their Andean shares (in their country of residence). However:

- their Goldcorp shares will be sold for market value; and
- they can acquire Goldcorp shares through the NYSE or the TSX if they wish to hold an exposure to Goldcorp.

9.7 Taxation Issues

Details of the taxation consequences of the Proposal for Australian resident and foreign shareholders are set out in the Scheme Booklet. In any event, the taxation consequences for shareholders will depend upon their individual circumstances. If in any doubt, shareholders should consult their own professional adviser.

9.8 Shareholder Decision

The decision whether to vote for or against the Proposal is a matter for individual shareholders. Similarly, it is a matter for individual shareholders whether they elect to receive Share Consideration, Cash Consideration or a combination of both. Individual shareholders may have different views in relation to value, their expectations about future market conditions and their

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particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt as to the action they should take in relation to the Proposal, shareholders should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell securities in Andean or Goldcorp. This is an investment decision upon which Grant Samuel does not offer an opinion and is independent of a decision on whether to vote for or against the Proposal. Shareholders should consult their own professional adviser in this regard.

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10 Qualifications, Declarations and Consents

10.1 Qualifications

The Grant Samuel group of companies provide corporate advisory services (in relation to mergers and acquisitions, capital raisings, debt raisings, corporate restructurings and financial matters generally), property advisory services, manages specialist funds and provides marketing and distribution services to fund managers. The primary activity of Grant Samuel & Associates Pty Limited is the preparation of corporate and business valuations and the provision of independent advice and expert's reports in connection with mergers and acquisitions, takeovers and capital reconstructions. Since inception in 1988, Grant Samuel and its related companies have prepared more than 435 public independent expert and appraisal reports.

The persons responsible for preparing this report on behalf of Grant Samuel are Stephen Cooper BCom (Hons) ACA CA(SA) ACMA, Sarah Morgan BE (Hons) MBA MAusIMM and Matt Leroux M.Aero.E MBA. Each has a significant number of years of experience in relevant corporate advisory matters. Shakeel Mohammed MS MBA assisted in the preparation of the report. Each of the above persons is an authorised representative of Grant Samuel pursuant to its Australian Financial Services Licence under Part 7.6 of the Corporations Act.

10.2 Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than as an expression of Grant Samuel's opinion as to whether the Proposal is in the best interests of shareholders. Grant Samuel expressly disclaims any liability to any Andean shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

This report has been prepared by Grant Samuel with care and diligence and the statements and opinions given by Grant Samuel in this report are given in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Grant Samuel or any of its officers or employees for errors or omissions however arising in the preparation of this report, provided that this shall not absolve Grant Samuel from liability arising from an opinion expressed recklessly or in bad faith.

Grant Samuel has had no involvement in the preparation of the Scheme Booklet issued by Andean and has not verified or approved any of the contents of the Scheme Booklet. Grant Samuel does not accept any responsibility for the contents of the Scheme Booklet (except for this report).

Grant Samuel has had no involvement in Andean's due diligence investigation in relation to the Scheme Booklet and does not accept any responsibility for the completeness or reliability of the process which is the responsibility of Andean.

10.3 Independence

Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with Andean or Goldcorp that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposal.

Grant Samuel had no part in the formulation of the Proposal. Its only role has been the preparation of this report.

Grant Samuel will receive a fixed fee of \$700,000 for the preparation of this report. This fee is not contingent on the outcome of the Proposal. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.

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Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 October 2007.

10.4 Declarations

Andean has agreed that it will indemnify Grant Samuel and its employees and officers in respect of any liability suffered or incurred as a result of or in connection with the preparation of the report. This indemnity will not apply in respect of the proportion of any liability found by a court to be primarily caused by any conduct involving gross negligence or wilful misconduct by Grant Samuel. Andean has also agreed to indemnify Grant Samuel and its employees and officers for time spent and reasonable legal costs and expenses incurred in relation to any inquiry or proceeding initiated by any person. Any claims by Andean are limited to an amount equal to the fees paid to Grant Samuel. Where Grant Samuel or its employees and officers are found to have been grossly negligent or engaged in wilful misconduct Grant Samuel shall bear the proportion of such costs caused by its action.

Advance drafts of this report were provided to Andean and its advisers. Advance drafts of Section 5 of this report were also provided to Goldcorp. Certain changes were made to the drafting of the report as a result of the circulation of the draft report. There was no alteration to the methodology, evaluation or conclusions as a result of issuing the drafts.

10.5 Consents

Grant Samuel consents to the issuing of this report in the form and context in which it is to be included in the Scheme Booklet to be sent to shareholders of Andean. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of Grant Samuel as to the form and context in which it appears.

10.6 Other

The accompanying letter dated 11 October 2010 and the Appendices form part of this report.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is set out at the beginning of this report.

GRANT SAMUEL & ASSOCIATES PTY LIMITED
11 October 2010

(Signed)

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Appendix 1

Valuation Concepts for Gold Projects

1 Overview

Despite the extensive analysis of gold companies and gold projects by analysts, valuers and other market commentators, there is little consensus on an appropriate basis for the valuation of gold assets. While the discounted cash flow ("DCF") methodology is frequently applied to valuing gold companies and gold projects, there is considerable uncertainty about the extent to which the results properly explain observed market values. This uncertainty is reflected in the reliance on rules of thumb based on quantities of gold reserves and resources and the frequent use of DCF valuations as an indicator of relative rather than absolute value. This Appendix examines some difficulties inherent in using the DCF methodology to value gold companies and gold projects and examines modifications to the DCF approach to obtain more meaningful results. In particular, it sets out the theoretical background to Grant Samuel's adoption of the gold futures methodology as its preferred approach to the valuation of gold assets.

Grant Samuel's experience is that, over a period of many years, the gold futures methodology has successfully explained share market and transaction values in the gold sector. Grant Samuel's analysis suggests that since January 2008 (apparently as a result of the global financial crisis and more recently as a result of concerns regarding European sovereign debt) there has been a market de-rating of gold equities relative to physical gold.

The consequence is that the gold futures methodology now appears to have poorer explanatory power (particularly for long life projects) than previously. However, the gold futures methodology continues to have both practical and theoretical advantages relative to traditional DCF analysis in the context of gold asset valuations.

2 Limitations of the Discounted Cash Flow Methodology

Although the DCF methodology is widely used for valuing gold projects, it has a number of shortcomings. Most importantly, the ability of DCF valuations to explain the value of gold assets is at best limited. The value of gold assets estimated by DCF valuations is frequently substantially less than the value of the assets observable by reference to equity market values or the price at which the assets are purchased and sold. This is particularly the case with long life gold assets. DCF analysis attributes little value to the later years of production of such long life assets.

Some of the difference between values estimated using the DCF methodology and market values may be explained by reference to exploration and development potential not explicitly captured by the DCF methodology. Analysts and other gold market observers frequently refer to a "gold premium" to explain the residual difference between DCF valuations and market values. In Grant Samuel's view, this is unsatisfactory. The notion of a "gold premium" does not provide an intellectually rigorous and replicable technique for valuing gold assets. To the contrary, it represents no more than a confirmation that DCF valuations frequently fail to explain the observable value of gold assets.

In summary, it appears that the DCF methodology as traditionally applied may be flawed for the valuation of gold assets. This view is supported by:

- the diversity of assumptions made by valuers as to discount rates and future gold prices; and
- the poor predictive power of DCF analysis when applied to the valuation of gold assets.

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2.1 Selection of Discount Rates

Discount rates are normally estimated by reference to the cost of capital of a company or the industry in which it trades. The cost of capital is usually calculated as the weighted average cost of equity and debt. The cost of equity is commonly estimated on the basis of the Capital Asset Pricing Model ("CAPM"). This in turn requires an estimate of the beta to apply to the valuation process.

Published valuations of gold assets have made a variety of assumptions regarding the betas of gold companies. The betas used have been generally in the range 0.5 to 1.5. The range of betas reflects, amongst other factors, differing assumptions regarding the appropriate sharemarket against which to measure returns on gold stocks. Betas estimated against the Australian sharemarket are commonly in the approximate range 1.0 to 1.5. However, if it is assumed that the marginal price setting investor in a gold company is an international investor, then the appropriate sharemarket against which to measure the correlation of returns on gold stocks is an international sharemarket. Betas measured on this basis may range between 0 and 0.5.

In Grant Samuel's view, the available evidence is insufficient to reach any firm conclusion as to the value of betas for Australian gold companies. There is unlikely to be any single correct beta for a company. In any event, the relevant beta is not the beta measured using historical data or a particular statistical technique but rather the beta used or implicit in the pricing decisions of investors in, and acquirers of, gold assets. Betas for gold companies in which domestic investors are likely to be the price setters may broadly be in the approximate range 0.7 - 1.3. The beta of a gold company is likely to reduce as the perceived quality and expected life of its assets increase, the company is able to attract international investment and its shares are traded more deeply. For large gold companies or assets in which foreign investors are likely to be the price setters a beta in the range 0.0 - 0.5 has historically appeared reasonable.

However, it appears that in recent periods of heightened global financial stress (as witnessed during the global financial crisis in 2008 and more recently during the European sovereign debt crisis), extremely risk averse investors may have reassessed the extent to which gold equities provide a proxy for physical gold and may have concluded that indirect gold (through equities) is a riskier investment than direct physical gold. This risk reassessment appears to have been reflected in an increase in gold company betas, from values approaching zero to values around or in excess of 0.5.

The following table shows estimated betas for major gold companies over the last two years, by comparison with estimated betas for the two preceding years:

Major Gold Company Betas		
	Oct 2006 – Sep 2008	Oct 2008 – Sep 2010
Barrick Gold Corporation	(0.246)	0.592
Goldcorp Inc.	0.102	0.590
Newmont Mining Corp.	0.085	0.749
AngloGold Ashanti Ltd	0.073	0.390
Kinross Gold Corporation	0.194	0.611
Minimum	(0.246)	0.390
Maximum	0.194	0.749
Average	0.085	0.592

Source: Bloomberg

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2.2 Forecasting of Future Gold Prices

Projecting future gold prices for the purpose of calculating expected revenues from gold mining operations also involves uncertainty. The gold price has historically demonstrated considerable volatility.

Valuers use a wide variety of assumptions regarding future gold prices, including assumptions that:

- the current real spot price, expressed in US\$ terms, will continue for the foreseeable future. This assumption is defensible on the basis that the current spot price should incorporate market expectations regarding the future spot price. However, DCF valuations using this assumption typically undervalue gold assets by substantial margins;
- there will be real movements in gold prices. Such assumptions amount to a belief that the valuer has a better view of the gold market than the market in general;
- gold prices will be realised on the basis of actual gold company hedging policies. This assumption results in the use of gold prices that might vary from the spot price for part of the output from a gold project. While it is true that actual hedge positions will add to or subtract from value, Grant Samuel is not aware of any evidence that hedging programs increase value on a prospective basis. To the contrary, there is a common market view that hedging reduces investor interest in gold stocks and destroys value; and
- all gold will be sold at prices equal to the prices currently obtainable for future delivery of gold ("futures prices"). The use of futures prices may be justified on the basis that futures prices provide a reliable indicator of the value of future gold production. However, the use of futures prices is not obviously consistent with traditional DCF methodology. The DCF methodology involves the estimation of expected future cash flows. The gold futures price is not equal to the expected future spot gold price. Use of the gold futures price will result in the estimation of "notional cash flows" that are not equal to expected actual future cash flows. Moreover, use of the gold futures price represents an adjustment in full for gold price risk. To the extent that gold price risk is a component of non diversifiable risk, use of the gold futures price and a discount rate estimated using the conventional CAPM framework may result in an effective "double-counting" of some or all of the gold price risk.

3 Gold Futures Methodology

Theoretical valuation methodologies such as the DCF methodology are based on the premise that the value of an asset or project can be estimated by identifying a portfolio of financial assets of similar cash flow and risk characteristics and extrapolating the value of that portfolio. The DCF methodology assumes that the appropriate analogous asset portfolio is a portfolio of riskless bonds and increases the discount rate to adjust for the additional risks involved in real assets.

It is not clear that conventional DCF methodology is the most appropriate methodology for valuing gold mining projects. There is a body of argument that suggests that the analogous asset portfolio for gold projects is a portfolio comprised of bonds and gold or bonds and futures contracts over gold. Valuation models that attempt to incorporate the value of management flexibility assume that a mining project may be viewed as a portfolio of complex options over the commodity being mined. However, such an analysis increases practical complexities substantially. This section of the Appendix discusses the valuation of gold projects on the basis that the value of gold projects may be estimated by reference to the value of asset portfolios consisting of bonds and either gold futures or physical gold.

The limited usefulness of the DCF methodology for valuing gold assets may be a consequence of the fact that gold is not a commodity. Rather, it is commonly viewed as a financial asset. Through the gold futures market, it is possible to earn returns on gold commensurate with the returns on low risk financial instruments.

The gold futures market also provides a precise measure of the present value of gold delivered at some time in the future. A gold futures contract is a contract to buy and sell a quantity of gold for a specified

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price (the “futures price”) to be delivered at some point in the future. The present value of the future gold delivery is given by the futures price discounted at the risk free rate for the period to delivery of the gold.

Valuation of a gold project requires the subtraction of the present value of future extraction costs from the present value of future gold production. Future gold production may be represented as a series of expected gold deliveries. Expected gold deliveries are defined as the mean of all probability adjusted gold deliveries. These expected gold deliveries can be valued by reference to the relevant futures prices, discounted at the risk free rate. This does not represent an attempt to estimate actual future gold revenues. Rather, it is a means of estimating the current value of future gold production. It is argued that it is appropriate to use the risk free rate to value future production because:

- all gold price risk has been taken into account through the use of futures prices;
- development, mining and related risks have been taken into account by using expected future gold production. Expected future gold production represents risk adjusted future gold production; and
- other risks associated with gold revenues should be fully diversifiable. Accordingly, diversified portfolio investors would require no return above the risk free rate.

Use of the risk free rate does not suggest that the cash flows from any asset are certain or risk free. It implies only that the cash flows are not subject to any systematic risk. Therefore, given that all specific (non systematic) risks can be diversified away on a portfolio basis, it is appropriate to apply the risk free rate.

Consequently, the present value of a gold mining project is given by the present value of future production less the present value of future extraction costs. This may be represented as follows:

$$PV = \frac{P_t \times F_t}{(1 + Rf)^t} - \frac{C_t}{(1 + Rf)^t}$$

where

PV is the present value of the gold mine given by summing the present value for future production less the present value of future costs;

F_t is the gold futures price for delivery in each future period t;

P_t is the expected production in each period t;

C_t is the expected extraction cost in each period t; and

Rf is the risk free rate for duration t.

Gold producers are frequently unable to write gold futures contracts for more than five years. For valuation purposes, however, gold futures prices can be estimated for longer periods. Gold futures prices may be estimated by compounding the current spot price at the risk free rate for the period of the futures contract. This may be represented as follows:

$$F_t = S_0(1 + Rf)^t$$

where

S₀ is the spot gold price at time 0.

This simplifies the earlier present value for a gold mine to the following:

$$PV = P_t \times S_0 - \frac{C_t}{(1 + Rf)^t}$$

Accordingly, gold projects may be valued by valuing expected future gold production at the current spot gold price, without discounting, and subtracting expected future extraction costs discounted at the risk free rate.

Annexure A: Independent Expert's Report

G R A N T S A M U E L

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Gold producers typically achieve a contango (the premium to the current spot price) through the futures market that is somewhat less than the current spot price compounded at the risk free rate. This discount reflects counterparty or credit risk and transaction costs. As between credit risk free counterparties, the gold futures price should always be equal to the current spot price compounded at the risk free rate. If the gold futures price was less than the current spot price compounded at the risk free rate, holders of gold could lock in infinite risk free profits. They could sell their gold, invest the amount realised in risk free bonds and buy back the equivalent volume of gold in the futures market at a price less than the proceeds and accumulated interest from their bond holdings. Conversely, if the gold futures price was greater than the current spot compounded at the risk free rate, infinite risk free profits could be secured by selling bonds (or borrowing), buying gold in the spot market, delivering the gold into futures contracts and repurchasing the bonds.

Gold producers are not risk free counterparties. However, for the purpose of valuing expected future gold production, it is appropriate to assume that the futures price is given by the current spot price compounded at the risk free rate. Counterparty and other diversifiable risks are taken into account through the process of estimating *expected* future production, which represents risk-adjusted production.

The valuation of gold projects by reference to the gold futures market ("gold futures methodology") does not reflect general practice. However, this approach has a strong theoretical underpinning. Its conclusions are consistent with the common market rules of thumb for valuing gold companies and gold projects on the basis of the quantity of gold in reserves and resources.

Aspects of the gold futures methodology have been incorporated in a variety of valuations. Various published valuations of long life Australian mining assets have used spot gold prices compounded at the risk free rate as proxies for the expected future spot price.

Although gold futures pricing is not commonly used in Australia, it is indirectly supported by international market practice. United States gold analysts have historically frequently used a zero discount rate in valuing United States gold projects. Use of a zero discount rate is equivalent to valuing future gold production at current spot prices on an undiscounted basis, although it may overstate the present value of future production costs. The market capitalisation of the majority of large, well traded gold companies is better explained by DCF analysis using a zero discount rate than by traditional DCF analysis using a discount rate representing estimates of weighted average cost of capital.

Annexure A: Independent Expert's Report

GRANT SAMUEL



Appendix 2 - Comparable Listed Companies

Company	Enterprise Value ¹ (US\$ million)	Variables					Multiples ²	
		Gold Resources ³ (000's oz)	Gold Reserves ³ (000's oz)	Gold Production ⁴ (000's oz)	Cash Costs ⁴ (US\$ per oz)	Capital Expenditure (US\$ million)	Gold Resources (US\$ / oz)	Gold Reserves (US\$ / oz)
Detour Gold ⁵	1,940	21,839	11,389	649	454	992	89	170
Gabriel Resources ⁶	2,234	13,637	8,085	511	335	705	164	276
Osisko Mining ⁷	5,000	18,370	8,970	999	364	886	272	557
Perseus Mining ⁸	941	7,682	1,927	313	490	166	123	489
Seabridge Gold ⁹	1,165	64,229	30,200	1,140	273	4,218	18	39
<i>Minimum</i>							<i>18</i>	<i>39</i>
<i>Maximum</i>							<i>272</i>	<i>557</i>
<i>Weighted average</i>							<i>105</i>	<i>219</i>

¹ Based on sharemarket prices and exchange rates as at 1 October 2010. Enterprise value is the sum of the market capitalisation adjusted for minorities, plus borrowings less cash (as at the latest balance date).

² Represents enterprise value divided by the relevant variable.

³ Gold resources and reserves are as last reported.

⁴ Production and cash costs represent average LOM forecasts as reported in the most recent development studies.

⁵ Production, cash costs and initial capital expenditure estimates based on feasibility study (May 2010) for Detour Lake project.

⁶ Production, cash costs and initial capital expenditure estimates based on feasibility study (February 2009) for Rosia Montana gold project and represent Gabriel Resources' share of interest in the project.

⁷ Production, cash costs and initial capital expenditure estimates based on updated feasibility study (February 2010) for the Canadian Malartic project and preliminary assessment (November 2009) for the Hammond Reef project. The initial capital expenditure reported above has been adjusted for capital expenditure already spent as at 30 June 2010. Cash costs are the weighed average LOM costs for the two projects.

⁸ Production, cash costs and initial capital expenditure estimates based on definitive feasibility study (June 2009) for the Central Ashanti Gold Project and scoping study (February 2009) for the Tengrela project. Production and capital expenditure represent Perseus Mining's share of interest in the projects. The initial capital expenditure reported above has been adjusted for capital expenditure already spent as at 30 June 2010. Cash costs are the weighed average LOM costs for the two projects.

⁹ Production and initial capital expenditure estimates based on preliminary feasibility study (March 2010) for the KSM project and preliminary assessment (March 2008) for the Courageous Lake project. Cash costs are the weighed average LOM costs for the two projects

Annexure A: Independent Expert's Report

G R A N T S A M U E L

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Appendix 3

Report by AMC Consultants Pty Ltd

[See Annexure C of this Scheme Booklet]

Annexure B

Investigating Accountant's Report





Deloitte Touche Tohmatsu
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The Directors
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CANADA

1 November 2010

Dear Directors

**INVESTIGATING ACCOUNTANTS' REPORT ON HISTORICAL AND COMBINED
GROUP PRO FORMA FINANCIAL INFORMATION**

Introduction

Deloitte Touche Tohmatsu (Deloitte) has been engaged by the Directors of Andean Resources Limited and Goldcorp Inc. to prepare this Investigating Accountants' Report (Report) for inclusion in a Scheme Booklet to be dated on or around 1 November 2010 and to be issued by Andean Resources Limited for a scheme of arrangement implementing the proposed merger between Andean Resources Limited and Goldcorp Inc.

Expressions and terminology used in the Glossary of the Scheme Booklet have the same meaning in this Report.

Historical and Combined Group Pro forma Financial Information

Andean Historical Financial Information

The selected historical financial information of Andean Resources Limited as set out in Section 8.8 of the Scheme Booklet comprises:

- Andean Resources Limited historical consolidated balance sheet as at 30 June 2010 prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) (A-IFRS)
- Andean Resources Limited A-IFRS historical consolidated statements of earnings for the six months ended 30 June 2010 and the year ended and 31 December 2009

together the 'Andean Historical Financial Information'.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of
Deloitte Touche Tohmatsu

Deloitte.

The financial statements of Andean Resources Limited were audited by the company's external auditor. The audits were conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free from material misstatement. The audit opinions issued on the financial statements of Andean Resources Limited for the years ended 30 June 2010 and 30 June 2009 were unqualified.

The Directors of Andean Resources Limited are responsible for the preparation of the Andean Historical Financial Information.

Goldcorp Historical Financial Information

The selected historical financial information of Goldcorp Inc. as set out in Section 8.8 of the Scheme Booklet comprises:

- Goldcorp Inc. historical consolidated balance sheet as at 30 June 2010 prepared in accordance with Canadian generally accepted accounting principles (C-GAAP)
- Goldcorp Inc. C-GAAP historical consolidated statements of earnings for the six months ended 30 June 2010 and the year ended 31 December 2009

together the 'Goldcorp Historical Financial Information'.

The C-GAAP historical financial statements of Goldcorp Inc. for the six months ended 30 June 2010 were reviewed by Deloitte & Touche LLP.

The C-GAAP historical financial statements of Goldcorp Inc. for the year ended 31 December 2009 were audited by Deloitte & Touche LLP. The audit opinion issued by Deloitte & Touche LLP was unqualified.

The Directors of Goldcorp Inc. are responsible for the preparation of the Goldcorp Historical Financial Information.

Combined Group Pro forma Financial Information

The combined group pro forma financial information as set out in Section 8.8 of the Scheme Booklet comprises:

- The Pro forma condensed consolidated balance sheet of the Combined Group as at 30 June 2010
- The Pro forma condensed consolidated statements of earnings of the Combined Group for the six months ended 30 June 2010 and the year ended 31 December 2009
- The A-IFRS adjustments and the assumptions on which they are based as described in Section 8.8 Note 4 of the Scheme Booklet
- The Pro forma assumptions and adjustments as described in Section 8.8 Note 5 of the Scheme Booklet

together the 'Combined Group Pro forma Financial Information' and together with the Andean Historical Financial Information and the Goldcorp Historical Financial Information, the 'Historical and Combined Group Pro forma Financial Information'.

The Combined Group Pro forma Financial Information has been derived from the Andean Historical Financial Information and the Goldcorp Historical Financial Information after reflecting the A-IFRS adjustments as described in Section 8.8 Note 4 and the Pro forma assumptions and adjustments as described in Section 8.8 Note 5 of the Scheme Booklet.

Deloitte.

The Directors of Goldcorp Inc. are responsible for the preparation and presentation of the Combined Group Pro Forma Financial Information, including the determination of the A-IFRS adjustments and the assumptions on which they have been based and the Pro forma assumptions and adjustments.

The Combined Group Pro forma Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by A-IFRS applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

Scope

Review of the Historical and Combined Group Pro forma Financial Information

We have reviewed the Historical and Combined Group Pro forma Financial Information in order to report whether anything has come to our attention which causes us to believe that the Historical and Combined Group Pro forma Financial Information as set out in section 8.8 of the Scheme Booklet, is not presented fairly in accordance with the basis of preparation as described in Section 8.8 of the Scheme Booklet.

Our review has been conducted in accordance with Australian Auditing Standard on Review Engagements (ASRE) 2405 "*Review of Historical Financial Information Other than a Financial Report*". We have made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances, including:

- Analytical procedures on the Historical and Combined Group Pro forma Financial Information
- A review of Goldcorp Inc.'s work papers, accounting records and other documents
- A review of the A-IFRS adjustments and the assumptions on which they are based as described in Section 8.8 Note 4 of the Scheme Booklet
- A review of the Pro forma assumptions and adjustments as described in Section 8.8 Note 5 of the Scheme Booklet
- A comparison of the consistency in application of the A-IFRS recognition and measurement principles adopted by Goldcorp in the preparation of the Combined Group Pro forma Financial Information and those disclosed by Andean Resources Limited in its financial statements for the year ended 30 June 2010
- Enquiry of the directors and management of Goldcorp Inc.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical and Combined Group Pro forma Financial Information.

Review Statement

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Historical and Combined Group Pro forma Financial Information set out in the Scheme Booklet is not presented fairly in accordance with the basis of preparation as described in Section 8.8 of the Scheme Booklet.

Deloitte.

Jurisdictions Outside Australia

Our review has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Australia, including Canada and the United States. Accordingly, our review should not be relied upon as if it had been carried out in accordance with those standards and practices.

Subsequent Events

Apart from the matters dealt with in this Report, and having regard for the scope of our Report, nothing has come to our attention that would cause us to believe that matters arising after 30 June 2010, other than matters dealt with in Section 7.5 of the Scheme Booklet, would require comment on, or adjustments to, the information contained in Section 8.8 of the Scheme Booklet, or would cause such information to be misleading or deceptive.

Independence and Disclosure of Interest

Deloitte Touche Tohmatsu does not have any interest in the outcome of the scheme of arrangement other than the preparation of this Report for which normal professional fees will be received.

Deloitte & Touche LLP is the independent auditor of Goldcorp Inc.

Consent

Deloitte Touche Tohmatsu has consented to the inclusion of this Report in the Scheme Booklet in the form and context in which it is so included, but has not authorised the issue of the Scheme Booklet. Accordingly, Deloitte Touche Tohmatsu makes no representation regarding, and takes no responsibility for, any other documents or material in, or omissions from, the Scheme Booklet.

Yours faithfully

(Signed)

DELOITTE TOUCHE TOHMATSU

(Signed)

Jason Thorne
Partner
Chartered Accountants

Annexure C

Independent Technical Specialist's Report



AMC Consultants Pty Ltd

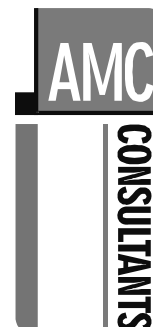
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8 October 2010

The Directors
Grant Samuel & Associates Pty Ltd
Level 6, 1 Collins Street
MELBOURNE VIC 3000

Dear Sirs

SPECIALIST'S TECHNICAL REPORT ANDEAN RESOURCES LIMITED

On 3 September 2010 Goldcorp Inc ("Goldcorp") and Andean Resources Limited ("Andean") announced that they had reached an agreement ("the Transaction") whereby Goldcorp will acquire all the outstanding shares in Andean via a scheme of arrangement ("Scheme").

Andean engaged Grant Samuel & Associates Pty Ltd ("Grant Samuel") to prepare an independent expert's report on the Transaction. Grant Samuel engaged AMC Consultants Pty Ltd ("AMC") to provide technical advice to Grant Samuel for the purposes of its assessment. In particular, Grant Samuel engaged AMC to provide a specialist's technical report including a description of the mineral assets of Andean and their planned development, AMC's conclusions as to reasonableness or otherwise of the technical assumptions regarding resources and reserves, production profiles, capital costs, operating costs and an assessment of the exploration interests.

Andean's principal mineral asset is the Cerro Negro Project; minor assets involve four exploration properties all located in the Santa Cruz province, Argentina.

AMC has provided production and capital and operating cost projections (modelling scenarios) to Grant Samuel. AMC believes the modelling scenarios are based on reasonable grounds.

AMC, has modelled two scenarios for the Cerro Negro Project. Case 1 being based on ore reserve estimates and that part of other mineral resources and readily demonstrable exploration potential for which AMC judges there is a high confidence of future conversion to ore reserves.

Case 2 adds to Case 1 mining and processing inventories, those tonnages which AMC judges to represent good potential for further additions to ore reserves from existing mineral resources and from exploration potential, but to a lesser confidence level than in Case 1. Case 2 provides for an increased production rate. Nevertheless, AMC believes that the Case 2 modelling scenario is based on reasonable grounds.

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Annexure C: Independent Technical Specialist's Report

ANDEAN RESOURCES LTD Andean Independent Technical Specialist's Report

AMC has completed its engagement as a Specialist in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, 2005 (the VALMIN Code¹).

AMC's use, in this report, of the terms Mineral Resources and Ore Reserves are in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves Prepared by the CIM Standing Committee on Reserve Definitions 2005.

For the purposes of preparing this report, AMC has visited the Cerro Negro Project site, reviewed material technical reports and management information and held discussions with management staff on site. AMC has not visited the exploration projects located away from Cerro Negro as they are not considered to be material to the overall value of Andean.

AMC has not audited the information provided to it, but has aimed to satisfy itself that all of the information has been prepared in accordance with proper industry standards and is based on data that AMC considers to be of acceptable quality and reliability. Where AMC has not been so satisfied, AMC has included comment in this report and made modifications to the estimates and forecasts provided by AMC to Grant Samuel.

AMC has not reviewed the status of tenements.

AMC's review of operating costs has been restricted to site based costs. State or third party royalties, taxes, refining charges, and corporate or head office costs have not been reviewed and are not included in costs presented in this report.

All monetary figures in this report are expressed in United States Dollars (US\$) as at September 2010 unless otherwise noted. Costs are presented on a cash cost basis unless otherwise specified.

Reporting of production and costs in this report is presented on a year ending December basis.

Mineral Resources are reported as inclusive of Ore Reserves.

For definitions of abbreviations used in this report, refer to Appendix A.

Yours faithfully

(Signed)

A M Chuk
M AusIMM
Principal Consultant

(Signed)

L J Gillett
M AusIMM (CP)
Director

¹ Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. The VALMIN Code 2005 Edition, Prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association with the participation of the Australian Securities and Investment Commission, the Australian Stock Exchange Limited, the Minerals Council of Australia, the Petroleum Exploration Society of Australia, the Securities Association of Australia and representatives from the Australian finance sector.

ANDEAN RESOURCES LTD Andean Independent Technical Specialist's Report

EXECUTIVE SUMMARY

Key findings from AMC's review are:

Geology and Resources

Andean has reported Mineral Resources for three deposits (Eureka, Vein Zone, and Bajo Negro) classified as Indicated and Inferred Mineral Resources in compliance with CIM Definition Standards.

Total Indicated Mineral Resources are 13.8 million tonnes grading 5.71 g/t Au and 53 g/t Ag for contained gold of 2.54 Moz and contained silver of 23.56 Moz.

Total Inferred Mineral Resources are 5 Mt grading 3.24 g/t Au and 19 g/t Ag for contained gold of 0.52 Moz and contained silver of 3.12 Moz.

The Indicated and Inferred Mineral Resource categories referred to in the CIM Definition Standards are directly comparable to the Indicated and Inferred Mineral Resource categories defined in the JORC Code.

Sampling, assaying and quality control protocols have varied by operator and time. The sampling and assaying procedures currently being followed by Andean are acceptable industry practice. Some data from earlier drilling, especially some wet RC drillholes are not used in resource estimation because of poor reliability.

AMC has reviewed the documentation for the Mineral Resource estimates and considers that the estimates have been completed using acceptable industry practices and have been appropriately classified as Indicated and Inferred Mineral Resources in accordance with the CIM Definition Standards and the JORC Code.

Advanced exploration including diamond drilling is being carried out on the Mariana Norte, Mariana Central, and San Marcos prospects but Mineral Resources have not been reported to date. There is sufficient drillhole information for conceptual estimates developed by Andean to be included in AMC's modelling scenarios.

Andean has interests in several exploration properties not associated with the Cerro Negro tenements but located in other parts of the Deseado Massif. AMC considers that these properties are grass roots exploration opportunities that require basic exploration activities. AMC considers that their value is not material to the overall value of Andean's interests in the region.

Mining and Ore Reserves

Mining technical work completed as a part of the feasibility study ("FS") prepared in August 2010 has been undertaken consistent with good industry practices.

The total Probable Mineral Reserve comprises 7.1 Mt grading 9.0 g/t Au and 90 g/t Ag.

Cost estimates established in the FS have been quoted to an accuracy of $\pm 15\%$.

The methodology used to establish the capital and operating costs is appropriate and the stated order of accuracy reasonable within the known parameters considered in preparing the estimates.

AMC considers the mine operating cost to be at the low end of an expected range, though it has not identified specific errors or omissions in the estimating procedures. AMC recognises that there are a range of 'unknown' issues which may present a risk to the current mining cost estimates. Such issues stem from the absence of underground mining and plant operating experience at Cerro Negro, and emerging cost pressures in regard to labour and related inputs.

Annexure C: Independent Technical Specialist's Report

ANDEAN RESOURCES LTD Andean Independent Technical Specialist's Report

For the FS production scenario, preproduction capital requirements for the mining operations total US\$56M. An additional capital of US\$84M is required over the life of the operation for sustaining capital and development costs and prestrip associated with the various open pit mining areas.

Mining operating costs for the underground operations have been estimated to be in the order of US\$40/t ore mined. Mining operating costs for the Vein Zone open pit have been estimated at US\$2.46/t of total material mined.

Opportunities may arise to extend the ore reserves at Eureka and Bajo Negro should current Inferred Resources be upgraded in classification or should additional resources be identified as extensions to the known resource.

The development plan established in the FS may be amended to give priority to establishing mining operations at the Mariana Central, San Marcos and Mariana Norte deposits, should ore reserves be established on these recently discovered deposits.

Metallurgy and Processing

FS plant throughput is 0.675 Mtpa producing 120 koz to 240 koz per annum over a mine life of nine years. The process flowsheet as presented in the FS comprises crushing, grinding and cyanidation with gold recoveries expected to range from 93% to 96%.

Further metallurgical testwork is required to evaluate the metallurgical characteristics of San Marcos, Mariana Central and Mariana Norte deposits. There is a risk that testwork may indicate lower metal recoveries than the FS.

The proposed process design flowsheet includes filtration and washing of leached slurry to minimise the residual cyanide concentration of the residue in the tailings storage facility. There are no settling testwork results available for San Marcos and Mariana orebodies. There is a risk that at the fine grind size proposed, the filtration section will limit the plant production rate or, alternatively, dictate that the grind size be increased and therefore reduce precious metal recovery.

Comprehensive metallurgical testwork programmes have been undertaken on samples of ore from the Eureka, Bajo Negro and Vein Zone ore deposits. Some preliminary testwork has also been undertaken on San Marcos samples and work is believed to be ongoing. No metallurgical testwork reports covering the metallurgy of the Mariana Central and Mariana Norte deposits have been sighted by AMC. For the purpose of this review, ore from the Mariana deposits is assumed to have similar metallurgical characteristics to Eureka ore.

Metallurgical testwork to date has shown that the Cerro Negro ore types are free milling and amenable to conventional milling and cyanidation techniques. The ore types tested have been shown to be moderately competent, abrasive and hard. A relatively fine grind size is required to maximise precious metal recovery. Predicted gold recovery is expected to range from 92% to 96%, while silver is lower at 82% to 86%.

It is proposed to install a milling facility initially capable of treating 675,000 tpa of Eureka ore with the ability to treat higher tonnages of blended lower grade ore. The proposed treatment plant will utilise unit operations that are generally well proven in the gold/silver processing industry. The flowsheet includes two stage milling, conventional cyanidation, and zinc precipitation for precious metal recovery. It is proposed to filter all tailings to maximise cyanide recovery and minimise environmental issues in the tailings storage facility.

AMC considers that the metallurgical development work to date has been thorough, but additional testwork will be required on samples from more recently explored deposits to confirm the suitability of the proposed plant to treat these ore types.

Annexure C: Independent Technical Specialist's Report

ANDEAN RESOURCES LTD Andean Independent Technical Specialist's Report

Environment

The project involves no technical environmental challenge which is likely to require development of novel mitigation protocols, but there remains some unresolved detail regarding acid-generation risks and discharge of excess water. The crucial environmental risk is statutory approval; not because of technical environmental issues, but from socio-political considerations beyond AMC's expertise.

Acid-drainage risks from both mine waste and tailings have been identified qualitatively in laboratory testwork, and now need to be quantified so that pro-active management programmes can be developed before significant quantities of acid-generating material are exposed.

Development of an accurate water balance, and thus identification of the volume of excess water to be managed, will allow detailed planning of procedures and monitoring regimes required. Aquifer reinjection is likely to be technically unreliable, and that discharge to an existing stream is to be preferred, with use in the El Retiro plant also a viable option.

AMC estimates closure costs at US\$5M to US\$7M; much less than the US\$25M included in Andean's cost estimates. AMC considers the US\$25M estimate to be generous. Accordingly, AMC has included closure cost estimates of US\$5M to US\$7M in the scenarios it provided to Grant Samuel.

Modelling Scenarios

AMC has established two modelling scenarios to inform valuation work undertaken by Grant Samuel. Case summaries are shown in Table I.

Table I **AMC Modelling Scenarios - Case Summaries**

Item	Unit	Case 1	Case 2
Ore milled	'000 t	11,161	15,161
Gold			
Milled grade	g/t	11.7	11.7
Contained Au	koz	4,212	5,703
Recovery	%	95	95
Recovered Au	koz	3,985	5,399
Silver			
Milled grade	g/t	97.4	92.2
Contained Ag	koz	34,957	44,936
Recovery	%	86	86
Recovered Ag	koz	29,940	38,507
Total Capital	US\$M	570.3	738.0
Total Operating Costs	US\$/oz	231.56	226.49
Total Capital	US\$/oz	143.09	136.61
Total Cash Outflow	US\$/oz	374.65	363.10

Annexure C: Independent Technical Specialist's Report

ANDEAN RESOURCES LTD
Andean Independent Technical Specialist's Report

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APPENDIX B REPORT CONTRIBUTORS

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APPENDIX D AMC MODELLING SCENARIOS PRODUCTION SCHEDULES

Distribution list:

1 (elec) copy to: The Directors, Grant Samuel & Associates Pty Ltd (draft)
1 copy to: AMC Perth office (draft)

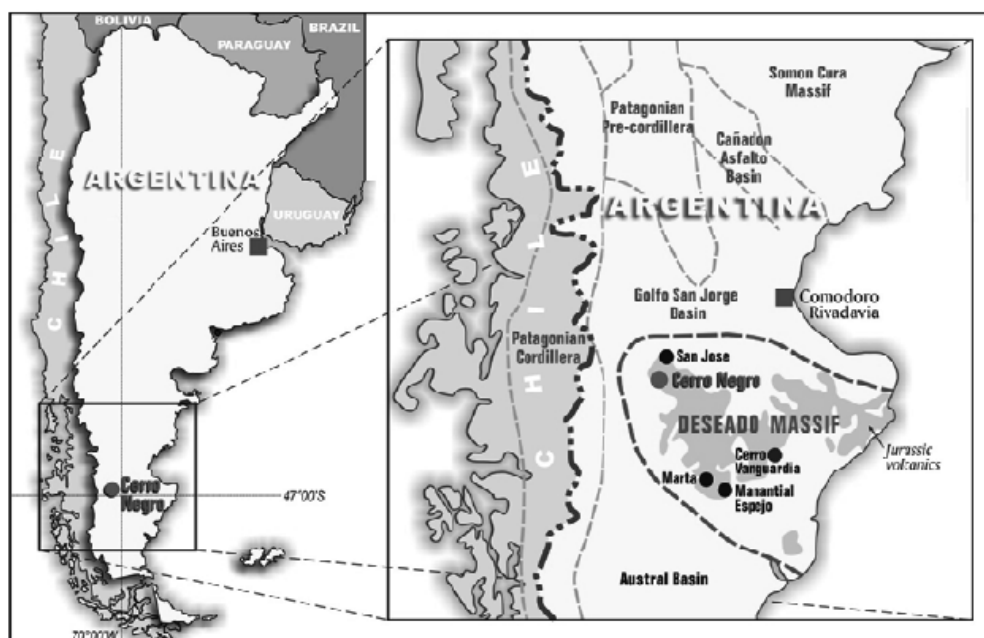
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1 INTRODUCTION

The Cerro Negro Project (the "Project") is a mineral exploration and development area located in the Santa Cruz province, Argentina. The project is held by Oroplata S.A. which holds the mining permit. Oroplata S.A. became a wholly owned subsidiary of Andean in 2004. Andean is listed on the Australian Securities Exchange ("ASX") and the Toronto Stock Exchange ("TSX").

The Cerro Negro project is about 345 km by road southwest of the coastal city of Comodoro Rivadavia. A number of advanced stage silver/gold operations are located in Santa Cruz including the San Jose project located 25km to the northwest of Cerro Negro.

Figure 1.1 Project Location



An Argentine prospector first identified the potential for gold mineralisation at Cerro Negro in 1992 and acquired the property. Exploration programmes were carried out under various ownership positions by Minera Newcrest Argentina S.A. ("Newcrest"), MIM Argentina Exploraciones ("MIM"), and Pegasus Gold International ("Pegasus"). Oroplata S.A., an Argentine company owned by Oroplata Pty Ltd of Brisbane, Australia, signed an option agreement with MIM in 2000 that was exercised in May 2001. This agreement gave Oroplata Pty Ltd the option to earn up to 49% of the project by undertaking exploration activities. In December 2003, Andean entered into an agreement with MIM to acquire MIM's remaining 51% interest in the Cerro Negro project. In April 2004, Andean acquired the remaining 49% interest in the property through a takeover of Oroplata Pty Ltd. Andean's exploration began in March 2005.

Andean has reported Mineral Resources and Mineral Reserves for three deposits (Eureka, Bajo Negro and Vein Zone) classified as Indicated Mineral Resources and Inferred Mineral Resources, and Probable Mineral Reserves in compliance with CIM Definition Standards on Mineral Resources and Mineral Reserves Prepared by the CIM Standing Committee on Reserve Definitions 2005 ("CIM Definition Standards"). Public reporting of Mineral Resource and Mineral Reserve estimates has been completed in Technical Reports compliant with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") as required for companies listed on the TSX.

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NI 43-101 allows the use of Mineral Resource categories of the JORC Code² in a Technical Report if reconciliation with CIM Definition Standards is disclosed. The Indicated Mineral Resource and Inferred Mineral Resource categories referred to in the JORC Code are directly comparable to the Indicated Mineral Resource and Inferred Mineral Resource categories defined in the CIM Definition Standards. Mineral Reserves as defined in the CIM Definition Standards are directly comparable to Ore Reserves as defined in the JORC Code, with the Probable Mineral Reserve category as defined in the CIM Definition Standards being directly comparable to Probable Ore Reserves as defined in the JORC Code.

Advanced exploration including diamond drilling is being carried out on the Mariana Norte, Mariana Central, and San Marcos prospects but Mineral Resources have not been reported to date.

A Prefeasibility Study ("PFS") and a Feasibility Study ("FS") have been completed on the Cerro Negro project by Ausenco Minerals Canada Inc, now Ausenco Solutions Canada Inc. ("Ausenco"). The PFS identified improvements to the economics of the project by reducing capital expenditure and developing the Eureka deposit. The FS details the design and cost estimation of the process plant and plant infrastructure, and the Eureka Mineral Resources revised in June 2009 and Vein Zone and Bajo Negro Mineral Resources revised in April 2010.

Ausenco completed a Technical Report on the Cerro Negro Feasibility Study in July 2010 that reports positive results from the FS.

Eureka, Bajo Negro and Vein Zone are free milling, non-refractory gold deposits with a combined Mineral Reserve of 7.1 Mt grading 9.0 g/t Au and 90.0 g/t Ag. The objective of the project is to mine and process these deposits at a rate of 675,000 tpa in the initial years when treating Eureka ore and 895,000 tpa in subsequent years when mill feed is a blend of Bajo Negro and Vein Zone. The expected life of milling operations from commencement of ramp-up is approximately nine years. During this time, a total of 2.0 Moz of gold and 18.0 Moz of silver are planned to be produced.

The proposed facilities for the project include underground mining operations at Eureka and Bajo Negro and an open pit mining operation at Vein Zone, a gold/silver processing plant and a tailings storage facility. The required infrastructure includes accommodation camps.

Construction of the Eureka ramp commenced in 2010. Subject to permitting approval and award of contracts, mine preparation is planned to start in Q1 2011, along with construction of the process plant. Mining activities will commence in Q1 2012 and ore commissioning of the plant is planned for Q1 2012.

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code 2004 Edition, Effective December 2004, Prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

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2 GEOLOGY AND MINERAL RESOURCES

2.1 Geology

Gold-silver veins at Cerro Negro are emplaced in the western part of the Deseado Massif, a 60,000 km² crustal block between the Atlantic coast to the east and the Andean Cordillera to the west. The veins are associated with an Upper Jurassic volcanic-subvolcanic sequence interpreted to be a rhyolite dome complex. Structural trends oriented north, northwest, northeast, and east are evident on both satellite imagery and in aeromagnetic data.

Vein systems at Eureka, Bajo Negro and Vein Zone, strike northwest to west-northwest, but Vein Zone and Eureka also display east-trending segments. All known mineralisation at Cerro Negro is of low-sulphidation epithermal type within and on the periphery of the breached rhyolite dome or its more mafic volcanic and subvolcanic core.

The Eureka vein system occurs over a strike length of about 1.5 km and the average width of the main vein is 9.5m and a known vertical extent of approximately 450m. Vein textures are typical of low-sulphidation epithermal systems. At deeper levels, especially in the principal vein, delicate alternating colloform bands of quartz and adularia are developed, and bonanza gold and silver grades are associated with dark, fine-grained sulphide bands ("ginguro"). There is a close association between fine-grained sulphides and high gold and silver grades.

The Bajo Negro vein has been defined by drilling over a strike length of almost 1.2 km, with an average true width of 3.9m and a known vertical extent of up to 300m. Bajo Negro gold mineralisation occurs dominantly in a single vein with minor splits. The vein has highly variable textures. In contrast to Eureka, Bajo Negro and Vein Zone contain low silver grades and coarse pyrite rather than ginguro sulphides. Sphalerite, galena, and chalcopyrite, as well as pyrite, are associated with higher gold grades.

Vein Zone is a west-northwest trending arcuate system of quartz veins, sheeted veins, and breccia zones, in which the veins have east, northwest, or north strikes and steep to sub-vertical dips to the north and northeast. The mineralisation as presently defined is almost 500m long, occurs over a vertical extent of close to 400m, and, excluding the footwall vein, is up to 80m wide. Gold is associated with oxidised pyrite and manganese oxide. The mineralisation dips at about 60° northeast for the main deposit, and the footwall structure dips about 80° northeast.

2.2 Drilling and Sampling

Drilling has been carried at Cerro Negro project by a number of operators since 1996. Reverse circulation ("RC"), diamond drilling and combinations of RC pre-collar and diamond drilled tail have been completed at the prospects. As of April 2010, 774 holes had been completed for a total of 174,235m.

Andean has recognised that RC drilling may not be the optimal method for drilling narrow high grade veins because the definition of geological contacts is limited to the sample resolution (mostly 1m) and that the geological information that can be obtained from cuttings is limited compared to that provided by diamond drilling. Recent RC drilling has been limited to exploration drilling that is then followed by diamond drilling for resource definition. RC drilling has also been used to complete pre-collars for deeper diamond drillholes.

Drillholes are oriented to achieve optimum vein intersection, which normally involved angle drillholes oriented normal to the strike of the vein. Drillhole collars have been surveyed and drillholes have been downhole surveyed using either an Eastman camera (before July 2007), Reflex System (July 2007 to September 2008) or a gyroscopic instrument (since September 2008).

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Sampling, assaying and quality control protocols have varied by operator and time. The sampling and assaying procedures currently being followed by Andean are acceptable industry practice. Some data from earlier drilling, especially some wet RC drillholes are not used in resource estimation because of poor reliability. Sampling protocols and procedures reviewed by independent consultants for the 2010 Technical Report were found to be above industry average and that the data could be used confidently in resource estimation.

2.3 Mineral Resources

Andean has reported Mineral Resources for three deposits (Eureka, Vein Zone, and Bajo Negro) classified as Indicated Mineral Resources and Inferred Mineral Resources in compliance with CIM Definition Standards (Table 2.1).

Table 2.1 Mineral Resource Estimates

Deposit	Tonnes	Au (g/t)	Ag (g/t)	Contained Gold (oz)	Contained Silver (oz)
Indicated					
Eureka ¹	3,608,000	12.25	179	1,421,000	20,804,000
Bajo Negro ¹	1,872,000	8.74	24	526,000	1,443,000
Vein Zone ²	8,361,000	2.21	5	593,300	1,315,400
Total^{3,4}	13,841,000	5.71	53	2,540,300	23,562,400
Inferred					
Eureka ¹	962,000	7.59	79	235,000	2,444,000
Bajo Negro ¹	935,000	6.07	16	183,000	471,000
Vein Zone ²	3,124,000	1.05	2	105,200	200,700
Total³	5,021,000	3.24	19	523,200	3,115,700

¹ Reported at a 3.0 g/t Aueq (gold equivalent) cut-off using a gold to silver ratio of 60:1.

² Reported at a 0.5 g/t Aueq cut-off on the initial assumption that Vein Zone might be treated using heap leach.

³ Estimates of tonnage and grade are presented as reported in Technical Reports and do not consider comments on rounding referred to in the JORC Code.

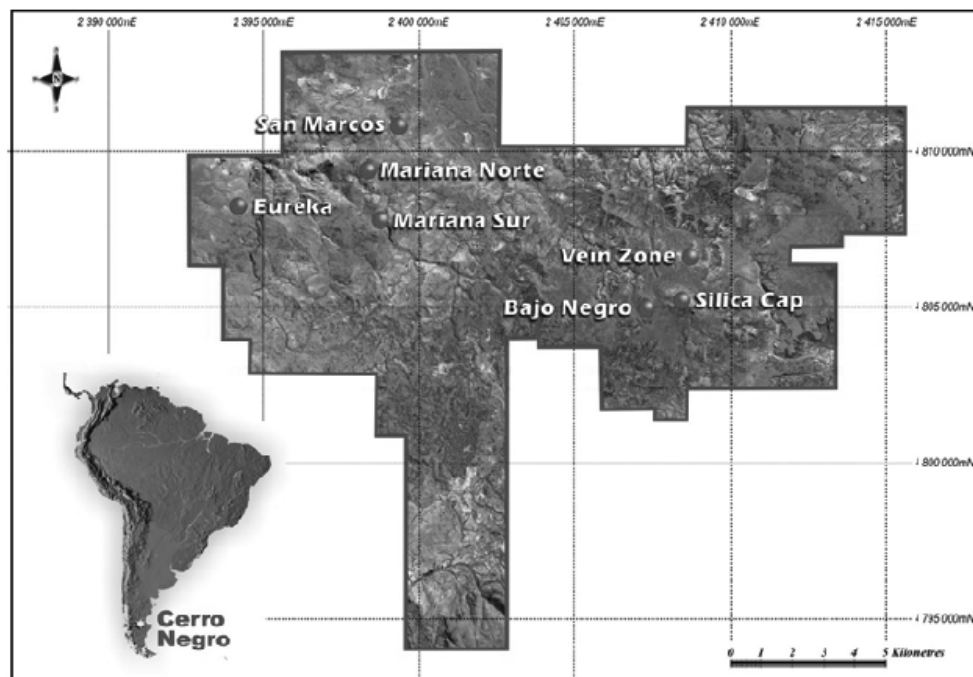
⁴ Indicated Resources are reported inclusive of Mineral Reserves.

The Mineral Resource estimate for Vein Zone is stated at a 0.5 g/t Aueq cut-off which was based on an assumption that Vein Zone would be treated by heap leach. The current project scenario now considers that Vein Zone will be processed in the treatment plant and it would be appropriate to restate the Mineral Resource at a higher cut-off to reflect the higher operating costs and higher recoveries.

Advanced exploration including diamond drilling is being carried out on the Mariana Norte, Mariana Central, and San Marcos prospects but Mineral Resources have not been reported to date. The locations of the deposits within the Andean tenements are shown in Figure 2.1.

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Figure 2.1 Location of Deposits Within Andean Tenements



Mineral Resource estimates have been classified as Indicated Mineral Resources and Inferred Mineral Resources in accordance with CIM Definition Standards. The Indicated Mineral Resource and Inferred Mineral Resource categories referred to in the CIM Definition Standards are directly comparable to the Indicated Mineral Resource and Inferred Mineral Resource categories defined in the JORC Code. The resource classification is based on distance to the nearest sample, number of samples used in estimation, the confidence in geological interpretations, and confidence in the samples used in the grade estimation.

AMC has reviewed the documentation for the Mineral Resource estimates and considers that the estimates have been completed using appropriate industry practices and have been appropriately classified as Indicated Mineral Resource and Inferred Mineral Resource in accordance with the CIM Definition Standards and the JORC Code.

2.3.1 Eureka

The epithermal veins and mineralisation in the Mineral Resource at Eureka occur over a strike length of approximately 1,500m. The western portion of the vein strikes northwest, and the eastern half strikes to the east. The veins and mineralisation dip southwest and south steep to vertically. The entire mineralised zone, including stockwork and vein material, can reach 100m in width, but the economic widths are substantially less, ranging up to 20m, but averaging about 5m.

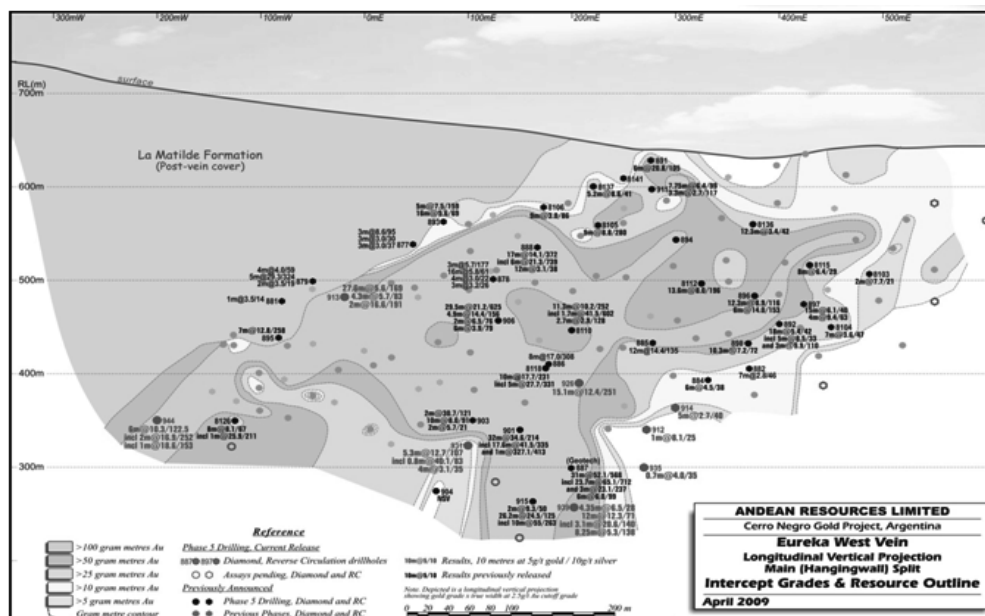
The veins appear to be offset by up to 100m at the boundary between the east and west vein but otherwise structural offsets appear to be minimal. The veins are cut off to the west by an unconformable upper contact that dips to the west and the veins come to surface in the east. The well-mineralised vein material is vertically defined for 450m. Silver mineralisation appears to be remobilised with relative depletion of silver near the topographic surface and paleo-surface and relative enrichment beginning at approximately 150m below surface.

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A zone of intense argillic alteration occurs at the southeast end of the West vein, including the southern flank of the hill on which the 721 vein complex crops out. Eureka vein textures are typical of low-sulphidation epithermal systems and include colloform and crustiform banding, cockade, and manganese-iron matrix breccias. At deeper levels, especially in the principal vein, delicate alternating colloform bands of quartz and adularia are developed, and bonanza gold and silver grades are associated with dark, fine-grained ('ginguro') sulphide bands. Native gold and native silver appear especially abundant in dark quartz veinlets or on their margins.

To the southeast, where the West vein is exposed in outcrop, it is almost entirely oxidised. To the northwest, where the vein is concealed by younger cover, it is only partly oxidised, and sulphide minerals increase with depth. Deep drilling has shown that the deep, central root of the deposit is also oxidised, implying a possible post-mineralisation phase of hypogene oxidation or deep surficial oxidation following broken ground. Both processes have remobilised silver.

Figure 2.2 Eureka Grade x Width Long Projection



The Mineral Resource estimate is based on the interpretation of the dominant epithermal veins and within those three mineral domains for gold mineralisation and three similar silver mineralisation domains:

- stockwork/silicified gold domain with discontinuous veining generally occurs below or between veins. The stockwork/silicified silver domain is more dispersed than the gold domain. Gold grades range from about 0.5 g/t Au to 5.0 g/t Au and silver grades range from 5.0 g/t Ag to 15.0 g/t Ag
- lower-grade gold and silver vein domains with gold grades of about 3.0 g/t Au to 30.0 g/t Au with generally massive or weakly banded vein. Silver grades range from about 15.0 g/t Ag to 100.0 g/t Ag
- banded vein domains defined by the presence of well-developed, dark-coloured banding with gold grades greater than 30.0 g/t Au and silver grades greater than 100.0 g/t Ag.

Topcuts were applied to control the overestimation of grade by statistical outliers. Grades were estimated using a number of methods using parameters based on a study of variography on 2m

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composites. The inverse distance squared estimate was selected for Mineral Resource reporting. Densities were assigned on the basis of determinations classified by rock type with an adjustment in mineralisation for a perceived sampling bias.

It is anticipated that mining of the Eureka deposit will be by underground mining methods.

2.3.2 Bajo Negro

The Bajo Negro vein is a single structure consisting of chalcedonic to crystalline quartz plus well-crystallised pyrite or iron oxide after pyrite. Bladed quartz replacing carbonate is present in most drill intersections of the vein. The vein is deeply weathered and contains supergene (and probably hypogene) kaolinite and hematite throughout. Free gold, is commonly visible. To date, the Bajo Negro vein has been defined by drilling over a strike length of almost 1,200m, with an average true width of 3.9m and a known vertical extent of up to 300m.

Breccia with a hematite matrix is conspicuous in the vein. Unlike Eureka, adularia and ginguero sulphide banding are not common although adularia appears to have been an early phase now largely replaced by clays and silica. Pyrite, bladed carbonate and electrum are common while free gold occurs at higher grades. Gangue minerals included clays and (rarely) supergene alunite.

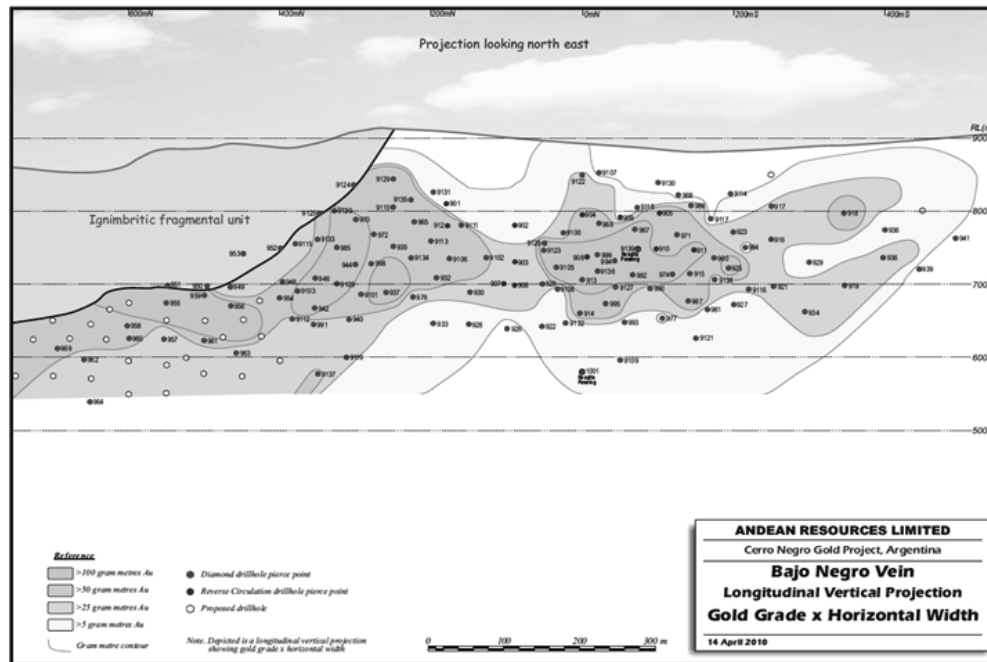
Much of the vein is brecciated and cemented with jasperoid (silica plus iron oxide). The presence of hematite and goethite, as well as pyrite indicates the transitional (mixed oxide/sulphide) nature of most of the mineralisation.

Sphalerite, galena, chalcopryrite, and pyrite are associated with higher gold grades, although chalcopryrite is also present in lower gold-grade samples. Electrum and free gold are common in samples with grades above about 10 g/t Au. Vein alteration minerals include kaolinite, illite, and smectite, and (less commonly) barite and alunite.

Wall rocks are altered to a quartz-sericite-pyrite assemblage commonly with adularia both as veinlets and replacement. Pyrite is generally oxidised and both supergene and hypogene kaolinite and hematite may be present. The Bajo Negro vein has undergone a late episode of hydrothermal brecciation with hypogene hematite matrix. The northwestern end of the vein is overlain and partly destroyed by a polymict breccia.

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Figure 2.3 Bajo Negro Grade x Width Long Projection



The Mineral Resource estimate is based on the interpretation of the dominant epithermal veins and within those three mineral domains for gold mineralisation and three similar silver mineralisation domains:

- stockwork/silicified gold domain with discontinuous veining generally occurs below or between veins. The stockwork/silicified silver domain is more dispersed than the gold domain. Gold grades range from about 0.5 g/t Au to 5.0 g/t Au and silver grades range from 5.0 g/t Ag to 15.0 g/t Ag
- lower-grade gold and silver vein domains with gold grades of about 3.0 g/t Au to 30.0 g/t Au with generally massive or weakly banded vein. Silver grades range from about 15.0 g/t Ag to 100.0 g/t Ag
- banded vein domains defined by the presence of well-developed, dark-coloured banding with gold grades greater than 30 g/t Au and silver grades greater than 100.0 g/t Ag.

Topcuts were applied to control the over-estimation of grade by statistical outliers. Grades were estimated using a number of methods using parameters based on a study of variography on 2m composites. The inverse distance squared estimate was selected for Mineral Resource reporting. Densities were assigned on the basis of determinations classified by rock type with an adjustment in mineralisation for a perceived sampling bias.

It is anticipated that mining of the Bajo Negro deposit will be by underground mining methods.

2.3.3 Vein Zone

Vein Zone is largely hosted by sub-horizontal to shallow dipping welded ignimbrites of the Chon Aike Formation. It is a west-northwest-trending arcuate system of quartz veins, sheeted veins, and breccia zones, in which the veins have east, northwest, or north strikes and steep to sub-vertical dips. The

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intersection of northwest- and east-trending veins may have been important in localizing mineralised shoots. The auriferous veins occur mostly as discrete, continuous veins up to several metres in width, but can also occur as thin veins or stockwork zones. The Mineral Resource has been defined along a strike of 500m and vertically at 400m, with an average thickness of about 80m.

Vein Zone host rocks have been altered to kaolin in the vicinity of the veins, with the alteration changing abruptly to sericite along the footwall contacts. The distribution of gold mineralisation may have been influenced by the faulted contact between a strongly welded ignimbrite and a lithic tuff. Three structural domains have been identified.

Gold is associated with oxidised pyrite and manganese oxide with hematite-goethite, minor sphalerite, kaolinite, illite, and adularia. Arsenic, manganese, and barium are locally anomalous. Platy quartz that is a pseudomorph of carbonate, colloform banding, and open or clay-filled vugs accompanies the gold. Oxidation of the Vein Zone deposit is thought to have been the result of hypogene alteration and post-mineralisation oxidation due to near-surface weathering.

Two gold mineral domains and two silver domains that are not necessarily co-incident were interpreted:

- lower-grade domain of mixed sheeted-vein, tabular-stockwork, vein-breccia and vein domain envelopes and includes the quartz veins which hosts the high-grade domain. The lower-grade silver domain is much more restricted in distribution than the gold domain. Gold grades range from about 0.5 g/t Au to 3.0 g/t Au and silver grades range from about 5.0 g/t Ag to 50.0 g/t Ag.
- high-grade gold domain only occurs within the epithermal vein and has a distinctly bimodal distribution of 3.0 g/t Au to 10.0 g/t Au and a discontinuous higher-grade sub-domain with gold grades greater than 10.0 g/t Au.

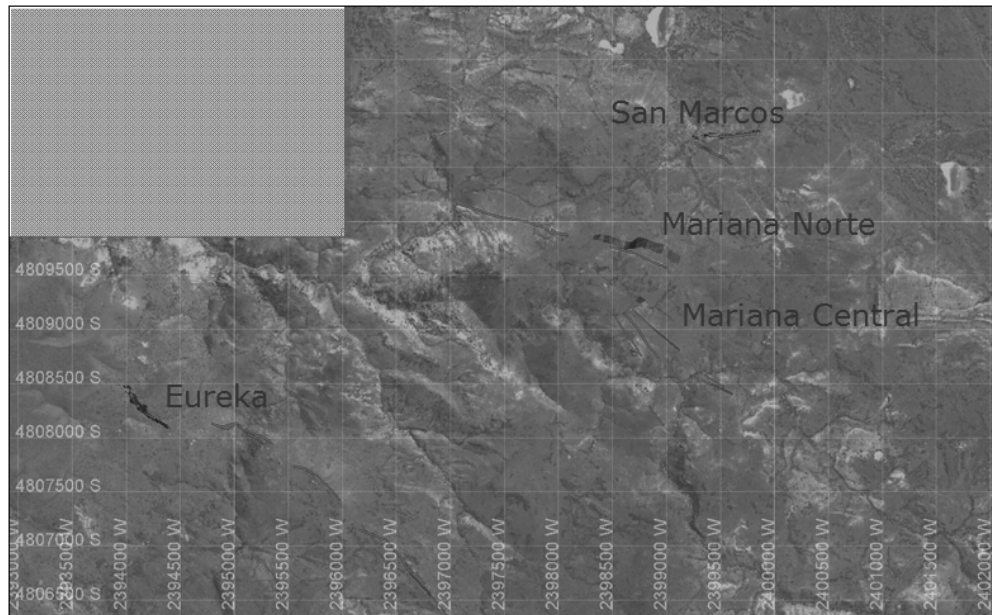
Topcuts were applied to control the over-estimation of grade by statistical outliers. Grades were estimated using inverse distance cubed using parameters based on a study of variography on 2m composites. The search orientations were adjusted for variations in the geological orientation of domains. Densities were assigned on the basis of determinations classified by rock type.

It is anticipated that mining of the Vein Zone will be by open pit methods. The Mineral Resource estimate for Vein Zone is stated at a 0.5 g/t Au cut-off which was based on an assumption that Vein Zone would be treated by heap leach. The current project scenario is for processing Vein Zone in the treatment plant and it would be appropriate to restate the Mineral Resource at a higher cut-off to reflect the higher operating costs and higher metallurgical recoveries.

2.4 Advanced Exploration Projects

During 2009 and 2010 Andean has been carrying out RC and diamond drilling on three epithermal vein targets located to the northeast of the Eureka deposit: Mariana Central, Mariana Norte and San Marcos (Figure 2.4). Mineral Resources have not yet been reported for these deposits.

Figure 2.4 Location of Advanced Exploration Projects

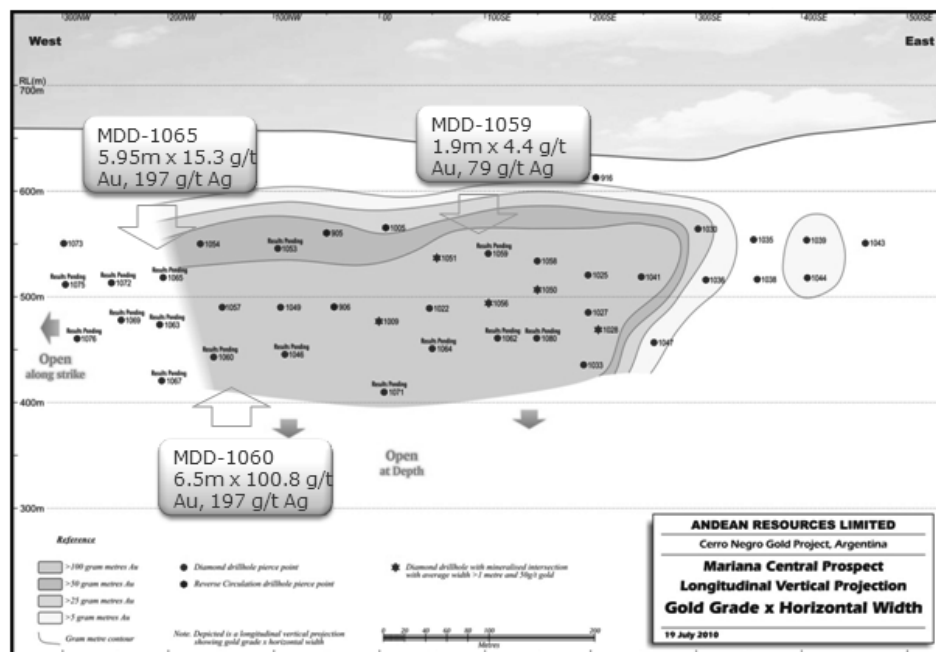


2.4.1 Mariana Central

Mariana Central has been drilled with a total of 9,466.7m in 42 drillholes. At the time of AMC's site visit, drilling was continuing and not all assay results from completed drillholes were available. The drilling indicated that the epithermal quartz vein continued for at least 770m along strike and at least 170m at depth. The main part of the vein over about 450m strikes 305° and dips 68° to the north. It is 5m to 10m true width. The southeast part of the vein dips at 50° to the north and narrows to a true width of 1m to 3m and gold and silver grades decrease. The Mariana Central vein is open up-dip, to depth and along strike to the northwest (Figure 2.5).

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Figure 2.5 Mariana Central Grade x Width Long Projection



Andean has released information from some drillholes at Mariana Central (Table 2.2).

Table 2.2 Drillhole Intercepts for Mariana Central

Hole ID	East	North	From	To	Intercept (m)	Au (g/t)	Ag (g/t)
MDD-1036	2398855	4809314	150.2	154.5	4.30	4.77	95.0
			168	170	2.00	8.08	36.0
MDD-1046	2398570	4809601	231.85	238.3	6.45	20.86	41.1
MDD-1059	2398666	4809418	127.1	129.0	1.90	4.43	78.7
MDD-1060	2398526	4809639	151.00	152.00	1.00	167.20	344.0
			227.00	228.00	1.00	7.31	6.0
			232.50	239.00	6.50	100.81	197.0
			Including				
			235.50	236.00	0.50	445.20	507.00
MDD-1064	2398710	4809525	105	109	4	10.86	116.8
			245.7	247.55	1.85	40.35	40.2
			251.5	253	1.5	3.66	3.5
			256.6	257.6	1	7.12	14.0
MDD-1065	2398412	4809611	140.8	146.75	5.95	15.32	35.5
MDD-1069	2398420	4809682	210	224	14	18.99	124.3
MDD-1071	2398689	4809570	287.2	296.2	9	9.40	22.1
			315.00	315.80	0.8	10.80	62.0
MDD-1076	2398382	4809712	223.8	231.3	7.45	59.99	165.1
MDD-1079	2398351	4809752	240.0	242.5	2.5	3.37	17.2

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Hole ID	East	North	From	To	Intercept (m)	Au (g/t)	Ag (g/t)
MDD-1080	2398773	4809447	231.00	239.00	8.00	68.12	1101.7
MDD-1086	2398774	4809418	201.9	206.2	4.3	8.49	20.4
			211.1	217.8	6.7	29.10	183.4
MDD-1088	2398735	4809449	209.00	225.30	16.30	34.28	283.8
MDD-1090	2398734	4809380	135	139.2	4.2	73.19	113.2
			144	145	1	52.10	76.0
			155	163.6	8.6	28.58	256.8
MDD-1091	2398557	4809531	130	135	5	12.20	17.8
			139.8	142	2.2	18.23	32.0
			143.5	145.8	2.3	24.90	24.3
			148.65	158.45	9.8	22.05	252.8
MDD-1092	2398695	4809412	157.8	170	12.2	62.1	481.2
MDD-1093	2398593	4809492	144	146.55	2.55	103.20	392.0
MDD-1094	2398784	4809520	309	313	4	4.76	18.2
MDD-1095	2398566	4809673	291	293.1	2.1	3.12	22.6
MDD-1096	2398607	4809565	236.2	238.2	2	39.10	331.5
			240.8	249.15	8.35	30.14	332.5
MDD-1097	2398419	4809750	293	294.7	1.7	5.74	22.5
MDD-1099	2398652	4809604	309.8	314.5	4.7	28.43	74.6
MDD-1100	2398804	4809474	284.35	296.4	12.05	22.39	124.1
MDD-1101	2398459	4809712	253.6	254.6	1	3.8	16
			275.5	278.9	3.4	12.5	116.6
MDD-1102	2398756	4809301	84	85	1	18.7	12
			95	96	1	5.35	103
			100.35	106.2	5.85	7.92	26.8
			116	117	1	10.5	25
MDD-1103	2398378	4809586	98	99.1	1.1	22.2	33
			101	106.5	5.5	6.65	56.5

AMC considers that the Mariana Central vein is a significant new discovery that has potential to significantly increase the resource potential of the Cerro Negro project. The Mariana Central vein is likely to be mined using underground mining methods. Mineral Resources have not been reported for Mariana Central as yet but there is sufficient drillhole information for conceptual estimates developed by Andean to be included in AMC's modelling scenarios.

2.4.2 Mariana Norte

To April 2010, Andean had completed 22 drillholes for a total of 4,218m on the Mariana Norte vein which has been identified over 300m along strike and over 150m at depth. The vein strikes 290° and dips 57° to the north. The deposit remains open in all directions. Drilling to date indicates an average true width of 4.8m. The Mariana Norte structure can be traced for up to 3.3 km in quartz vein float, silicified rock outcrops, and lineaments in satellite imagery. Andean has released information from some drillholes at Mariana Norte (Table 2.3).

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Table 2.3 Drillhole Intercepts for Mariana Norte

Hole ID	East	North	From	To	Intercept (m)	Au (g/t)	Ag (g/t)
MDD-1020	2398768	4809955	123.20	127.35	4.15	3.65	8.9
			131.90	136.00	4.10	3.79	6.6
			219.25	220.10	0.85	5.76	24.0
			244.90	246.00	1.10	3.56	8.0
MDD-1021	2398836	4809832	96.00	98.00	2.00	4.32	67.0
			110.60	113.00	2.40	5.08	68.2
			115.00	116.00	1.00	2.87	74.0
			117.00	118.50	1.50	3.14	48.0
MDD-1026	2398631		135.3	138.3	3	4.37	63.3
MDD-1029	2398644	4809886	175.00	176.00	1.00	4.65	69.0
MDD-1031	2398533		125	127	2	5.20	51.5
MDD-1032	2398546	4809914	163.2	168.75	5.55	7.70	84.8
			171.2	173.8	2.6	4.82	58.5
			181	182	1	5.08	2.0
MDD-1034	2398487	4809874	113.3	119.9	6.6	8.60	162.4
MDD-1037	2398500	4809928	168.1	171.6	3.5	3.53	21.0
MDD-1040	2398438	4809890	131	132.5	1.50	10.14	437.1
			Including				
			132.00	132.50	0.50	16.40	1262.0
MDD-1042	2398449	4809940	158.20	158.85	0.65	4.57	15.0
			177.55	178.65	1.10	4.86	48.0
MDD-1045	2398390	4809902	NSV				
MDD-1048	2398402	4809942	155.50	156.20	0.70	2.71	19.0
MDD-1055	2398461	4809986	208.40	210.55	2.15	7.31	7.2
			212.00	213.70	1.70	112.14	141.1
			Including				
			212.00	212.50	0.50	268.30	261.00
MDD-1061	2398509	4809973	212.10	215.00	2.90	92.79	162.2
MDD-1066	2398582	4809850	120.40	122.35	1.95	7.74	17.8
			127.70	132.80	5.10	7.38	111.0
MDD-1074	2398607	4809949	213.00	214.05	1.05	2.55	27.3
			219.05	220.00	0.95	5.45	91.2
MDD-1070	2398593	4809900	167.95	175.4	7.45	10.87	77.8
			178.15	180	1.85	7.18	19.8
MDD-1077	2398635	4809733	206.35	210	3.65	4.46	51.2
			215.50	216.50	1.00	6.02	20.0
			218.00	219.00	1.00	12.90	44.0

AMC considers that the Mariana Norte vein is a new discovery that has potential to increase the resource potential of the Cerro Negro project. The Mariana Norte vein is likely to be mined using underground mining methods. Mineral Resources have not been reported for Mariana Norte as yet but there is sufficient drillhole information for conceptual estimates developed by Andean to be included in AMC's modelling scenarios.

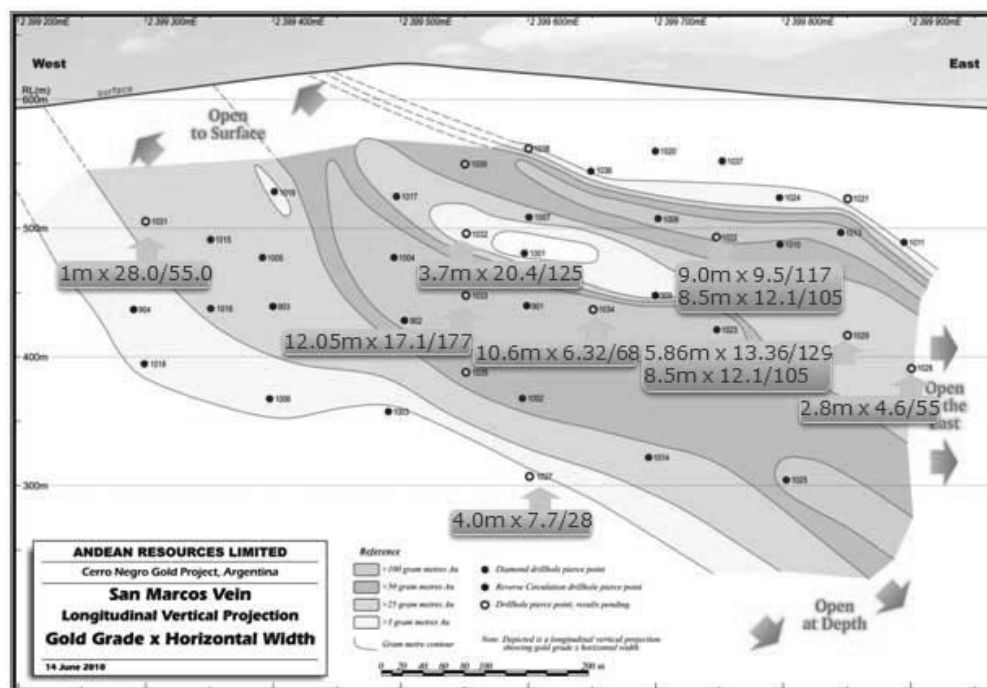
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2.4.3 San Marcos

To April 2010, Andean had completed 4,994 m in 24 drillholes on the San Marcos veins. At least two sub-parallel veins strike 290° and dip nearly vertical. Gold mineralisation has been identified in the vein over about 500m along strike and between 100m and 250m down dip. The mineralised vein is up to 10m true width and averages 4.4m based on current information. The mineralisation appears to plunge 20° to 30° to the east and is open to the surface, to depth and to the east (Figure 2.6).

Figure 2.6 San Marcos Grade x Width Long Projection



Andean has released information from some drillholes at San Marcos (Table 2.4).

Table 2.4 Drillhole Intercepts for San Marcos

Hole ID	East	North	From	To	Intercept (m)	Au (g/t)	Ag (g/t)
SDD-1017	2399497	4810830	94.55	101.55	7	12.09	186.2
SDD-1018	2399300	4810917	236.6	240	3.4	4.23	46.3
SDD-1019	2399398	4810827	67.6	70.8	3.2	13.25	93.8
			91.6	95	3.4	10.53	204.5
SDD-1020	2399698	4810827	43.2	44.4	1.2	20.40	263.0
SDD-1021	2399854	4810859	82.4	86.3	3.9	2.68	226.3
SDD-1022	2399748	4810879	123	132	9	9.52	117.2
			133.5	142	8.5	12.09	104.6
SDD-1024	2399798	4810889	113.00	114.00	1.00	6.16	6.0
			122.60	123.80	1.20	9.31	16.1
			132.00	133.00	1.00	4.51	7.0

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Hole ID	East	North	From	To	Intercept (m)	Au (g/t)	Ag (g/t)
SDD-1027	2399600	4810980	277	281	4	7.66	28.2
SDD-1028	2399900	4810693	263.2	266.0	2.8	4.60	55.3
SDD-1029	2399850	4810713	200.5	206.36	5.86	13.36	128.8
			250.8	253	2.2	21.13	181.3
			264.9	266	1.1	15.40	4.0
			273.2	279.4	6.2	12.47	171.2
			293.9	295	1.1	33.30	4.0
SDD-1030	2399502	4810696	113	114	1	16.90	26.0
SDD-1031	2399298	4810832	102.40	105.25	2.85	4.67	32.5
			108.00	109.00	1.00	28.00	55.0
SDD-1032	2399550	4810864	129.10	132.80	3.70	20.42	125.1
			Including				
			132.00	132.80	0.80	71.50	214.0
			134.15	136.00	1.85	3.09	37.3
SDD-1033	2399548	4810906	177.25	189.3	12.05	17.13	177.3
			207.5	208.3	0.8	5.01	41.0
			210.3	214.6	4.3	9.12	27.3
SDD-1034	2399649	4810903	178.4	181.6	3.2	5.26	29.0
			190.3	200.9	10.6	6.32	68.1
SDD-1035	2399549	4810944	254.00	258.85	4.85	5.08	25.6
			266.00	271.20	5.20	5.75	57.6
			274.35	284.00	9.65	4.87	25.6
			300.50	301.55	1.05	46.30	157.0
SDD-1038	2399599	4810815	49	54	5	8.21	12.2
SDD-1039	2399549	4810817	NSV				
SDD-1040	2399448	4810815	44	50	6	5.33	82.2
SDD-1041	2399499	4810810	45.20	48.30	3.1	3.29	8.0
			71.00	72.00	1.00	12.00	17.0
SDD-1042	2399399	4810799	26.0	32.5	6.50	7.95	40.8
SDD-1043	2399448	4810863	148.0	159.9	11.90	10.75	103.2
SDD-1044	2399649	4810859	108.00	114.25	6.25	9.80	69.0
SDD-1045	2399348	4810944	279.2	283.5	4.30	3.71	16.1
SDD-1046	2399349	4810804	49.45	53.10	3.65	9.73	16.1
			63.00	64.00	1.00	3.97	4.0
SDD-1047	2399298	4810801	56.85	57.70	0.85	12.40	45.0
			59.4	60.8	1.40	21.82	64.0
SDD-1048	2399746	4810979	287	293.5	6.50	13.53	184.9
			307.4	314.05	6.65	36.77	342.6
SDD-1049	2399448	4810896	141.8	152.2	10.40	6.06	61.1
			199.7	208	8.30	6.36	58.7
			211	218.35	7.35	12.20	79.8

AMC considers that the San Marcos veins are a significant discovery that has potential to increase the resource potential of the Cerro Negro project. Mineral Resources have not been reported for San

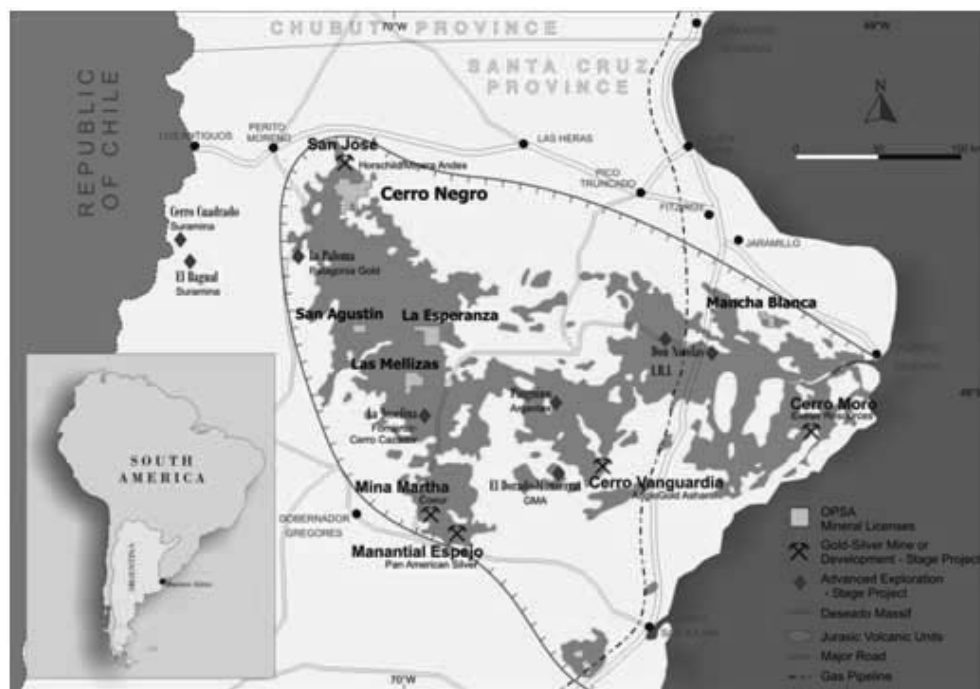
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Marcos as yet but there is sufficient drillhole information for conceptual estimates developed by Andean to be included in AMC's modelling scenarios.

2.5 Regional Exploration

Andean has interests in several exploration properties not associated with the Cerro Negro tenements but located in other parts of the Deseado Massif (Figure 2.7).

Figure 2.7 Location of Regional Exploration Properties



Las Mellizas is a tenement area of 4,500ha located in the central part of the massif where volcanic rocks are intruded by rhyolite domes. Compilation of previous work indicates that low sulphidation epithermal veins occur and previous exploration included surface sampling and some drilling that returned sporadic high grade gold assays.

La Esperanza is a tenement area of 10,967 ha where previous exploration returned high grade assays in rock chip and trench samples. Limited drilling did not return significant results but there are areas of untested vein and some potential for disseminated mineralisation.

The San Agustin property covers 6,833 ha where previous exploration (rock chip sampling and limited drilling) returned low grade gold values in an epithermal vein system. Previous exploration results have not been compiled.

The Mancha Blanca property covers 6,500 ha and has been mapped and sampled with some drilling. Previous exploration results have not been compiled.

AMC considers that these properties are grass roots exploration opportunities that require basic exploration activities. AMC considers that their value is not material to the overall value of Andean's interests in the region.

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2.6 Key Findings

- Andean has reported Mineral Resources for three deposits (Eureka, Vein Zone, and Bajo Negro) classified as Indicated and Inferred Mineral Resources in compliance with CIM Definition Standards.
- Total Indicated Mineral Resources are 13.8 million tonnes grading 5.71 g/t Au and 53 g/t Ag for contained gold of 2.54 Moz and contained silver of 23.56 Moz.
- Total Inferred Mineral Resources are 5 Mt grading 3.24 g/t Au and 19 g/t Ag for contained gold of 0.52 Moz and contained silver of 3.12 Moz.
- The Indicated and Inferred Mineral Resource categories referred to in the CIM Definition Standards are directly comparable to the Indicated and Inferred Mineral Resource categories defined in the JORC Code.
- Sampling, assaying and quality control protocols have varied by operator and time. The sampling and assaying procedures currently being followed by Andean are acceptable industry practice. Some data from earlier drilling, especially some wet RC drillholes are not used in resource estimation because of poor reliability.
- AMC has reviewed the documentation for the Mineral Resource estimates and considers that the estimates have been completed using acceptable industry practices and have been appropriately classified as Indicated and Inferred Mineral Resources in accordance with the CIM Definition Standards and the JORC Code.
- Advanced exploration including diamond drilling is being carried out on the Mariana Norte, Mariana Central, and San Marcos prospects but Mineral Resources have not been reported to date. There is sufficient drillhole information for conceptual estimates developed by Andean to be included in AMC's modelling scenarios.
- Andean has interests in several exploration properties not associated with the Cerro Negro tenements but located in other parts of the Deseado Massif. AMC considers that these properties are grass roots exploration opportunities that require basic exploration activities. AMC considers that their value is not material to the overall value of Andean's interests in the region.

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3 MINING

3.1 Status of Mine Development

Andean proposes to use underground mining for all deposits other than the low grade Vein Zone.

A feasibility study for the mining of ore from the Eureka, Bajo Negro and Vein Zone deposits was completed in 2010 and reported publicly via the release of a 43-101 technical report titled: Technical Report on the Cerro Negro Feasibility Study, Santa Cruz Province, Argentina (the "Technical Report"). The FS and the Technical Report were prepared by Ausenco. The mining aspects of the FS were completed NCL Ingenieria Construccion Ltda ("NCL"), and reported in Cerro Negro Mine Feasibility Study, August 2010. For the purpose of its review of the mining aspects of the Project, AMC has relied on the Technical Report, and the Cerro Negro Mine Feasibility Study report, along with its observation made on a site visit (September 2010) and information gained through discussions with Andean management and staff. Figures used in this report have been sourced from the Cerro Negro Mine Feasibility Study report.

At September 2010, the development of an exploration decline has progressed approximately 440m at the Eureka deposit. It is intended that this decline be used for mine production purposes.

Continued exploration since commissioning of the FS has resulted in the discovery of three additional deposits identified as Mariana Norte, Mariana Central and San Marco. The FS only considers and establishes a development plan for the Eureka, Bajo Negro and Vein Zone deposits, however, based on recent exploration results it is more likely that mining operations will focus on Mariana Norte, Mariana Central and San Marcos, prior to exploitation of Bajo Negro or Vein Zone. Mining will, however, commence on Eureka first given its advanced development.

3.2 Ore Reserves

Ore reserves for the Eureka, Bajo Negro and Vein Zone deposits were estimated in the FS and are shown in Table 3.1.

Table 3.1 Cerro Negro Probable Mineral Reserves

Deposit	Tonnes (Mt)	Au Grade (g/t)	Ag Grade (g/t)	Contained Au (koz)	Contained Ag (Moz)
Eureka	2.9	13.6	198.0	1,284	18.6
Bajo Negro	1.8	7.7	21.0	457	1.2
Vein Zone	2.4	4.3	9.0	331	0.7
Total Cerro Negro	7.1	9.0	90.0	2,072	20.6

The Probable Mineral Reserve category as defined in the CIM Definition Standards is directly comparable to Probable Ore Reserves as defined in the JORC Code.

The Mineral Reserve contained gold as a percentage of the Indicated Mineral Resource for each deposit is:

- Eureka 90%
- Bajo Negro 86%
- Vein Zone 56%.

The conversion of resources to ore reserves for Eureka and Bajo Negro is typical of like deposits. The low conversion rate for Vein Zone reflects different assumptions in regard to mineral processing. The

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Vein Zone resources estimate assumes that processing is via a lower cost heap leach process whereas the ore reserves estimate assumes processing is via conventional milling and carbon-in-pulp ("CIP") technology.

At the Eureka and Bajo Negro deposits approximately 420 koz Au is contained within Inferred Mineral Resources and has not been considered in estimating the ore reserve. Should this material be reclassified to Indicated or Measured resource, there is the potential for some of this material to be reported in the reserve.

Key price and cost parameters used in estimating the ore reserves are as summarised in Table 3.2.

Table 3.2 Mineral Reserve Key Input Parameters

Parameter	Unit	Eureka	Bajo Negro	Vein Zone
Gold Price	US\$/oz	850	850	850
Silver Price	US\$/oz	14.00	14.00	14.00
Mining Cost	US\$/t	60.00	60.00	2.00
Processing Cost	US\$/t	28.50 to 30.50	24.67	28.60
General & Administration Cost	US\$/t	11.50	10.55	10.50
Gold Metallurgical Recovery	%	93.5 to 96.4	95	95
Silver Metallurgical Recovery	%	89.4 to 92.7	85	90.7

In estimating the ore reserve, NCL specifically noted that the parameters as summarized in Table 3.2 are initial estimates, carried out at the beginning of the FS, for the purposes of starting the design process.

In estimating the underground ore reserves at Eureka and Bajo Negro, NCL has followed conventional approaches with due regard for minimum mining widths, dilution and ore loss.

For the Vein Zone ore reserve estimate, the Whittle Four-X package has been used to create optimum pit shells for a range of prices with the revenue factor 1.0 at US\$850 /t used as the basis of a mine design.

3.3 Geotechnical and Hydrology

Golder Associates Pty Ltd has undertaken investigations and assessments of the geotechnical conditions for the Eureka, Bajo Negro and Vein Zone deposits. The investigations have included mapping rock exposures on the surface, drilling holes specifically to obtain geotechnical parameters, surveying (televue) geotechnical holes, logging core and testing representative samples of core.

Mine design parameters have been established on the basis of this programme of work.

Hydrological surveys have been undertaken in the proposed mining areas. Both the proposed Eureka and Bajo Negro mining operation will intersect the water table at approximately half their orebody depth. Water flows should be manageable and the discharge water, after treatment to remove hydrocarbons, will either be used as process plant makeup water or discharged.

3.4 Mining Methods

3.4.1 Eureka

The Eureka orebody is a sub-vertical vein with the boundary close to the surface. The orebody is approximately 1,500m in length with a depth of 450m. Thicknesses typically vary from 3m to 20m, with

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an average of 9m. Andean has advised AMC that the development of an open pit operation on the Eureka deposit has not been pursued due to environmental reasons.

The mine is scheduled to operate for five years producing at a peak rate of 675 ktpa of ore.

The layout of a typical level in the mine is shown in Figure 3.1 and a vertical section along the strike of the orebody shown in Figure 3.2.

Figure 3.1 Eureka Mine - Representative Level Plan (Level 528)

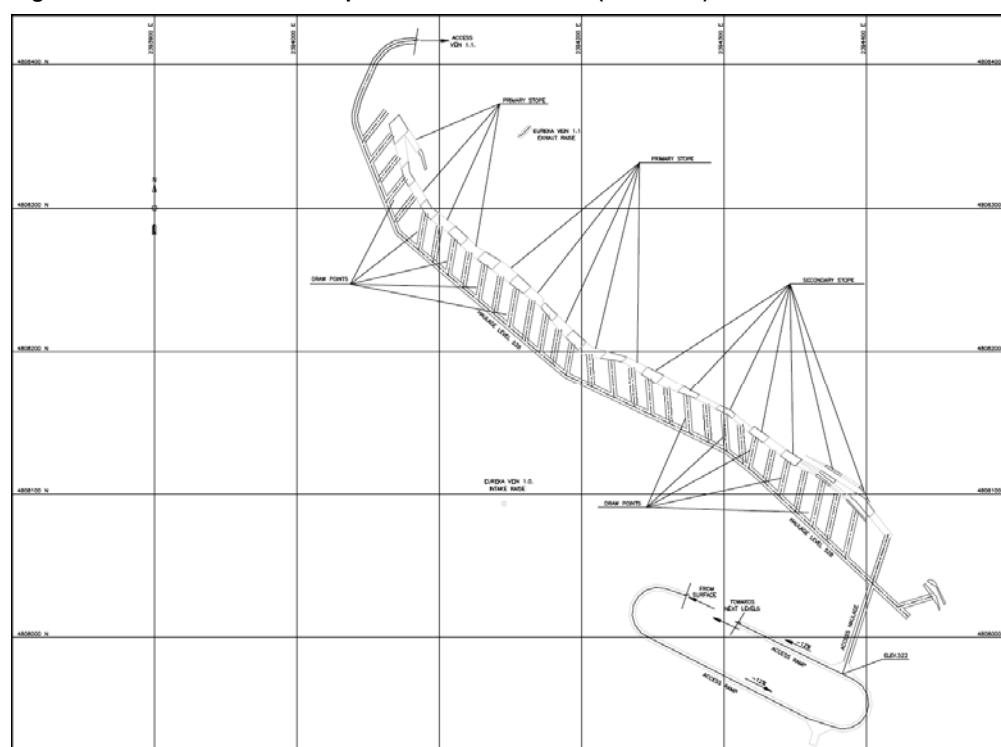
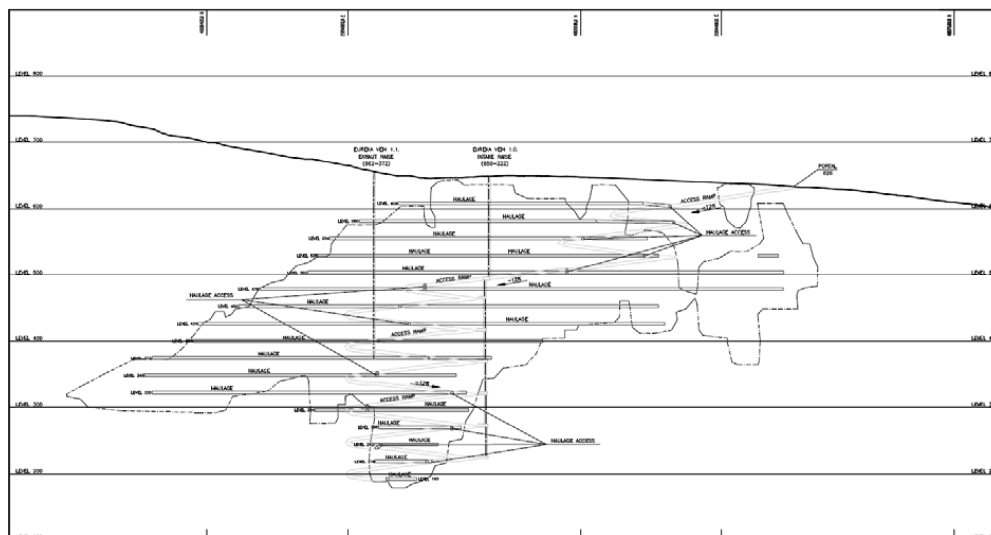


Figure 3.2 Eureka Mine - Long Section



The selected mining equipment is relatively conventional. Loading will be undertaken with 4.6 m³ load-haul-dump units ("LHDs") with smaller 2.7 m³ LHDs used in narrower areas. 28t trucks with push plates will be used for ore haulage and transporting waste fill within the mine. Two boom jumbos will be used for development and a mix of down the hole hammer ("DHH") and hydraulic top hammer drills will be used for stope drilling, depending on ore widths.

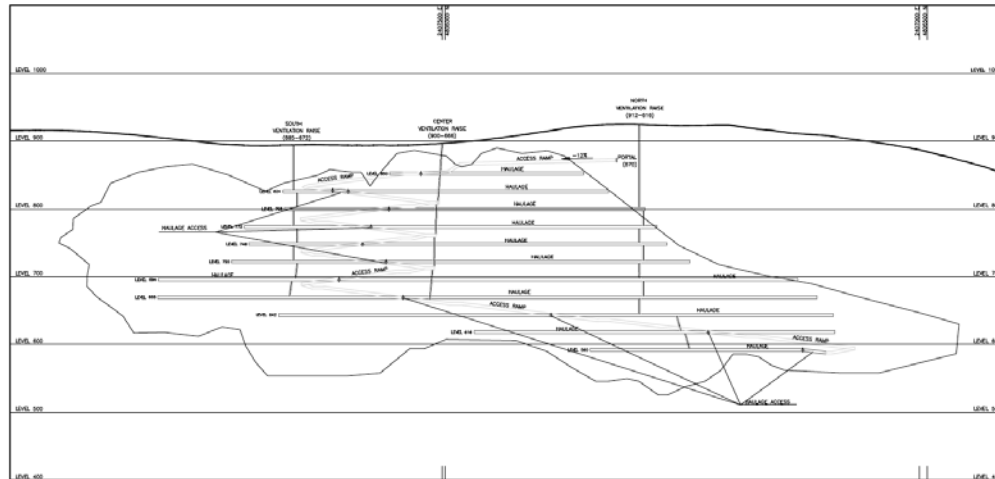
The Bajo Negro orebody is a sub-vertical vein with the boundary close to the surface. The orebody is approximately 1,000m in length with a depth of 280m. Average thicknesses vary between 4m and 6m.

AMC considers that it is unusual to mine a narrow orebody such as this in good ground conditions with transverse stopes. The use of longitudinal stoping may prove to be a lower cost option.

A vertical long section of the planned mine is shown in Figure 3.3.

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Figure 3.3 Bajo Negro Mine - Long Section



3.4.3 Vein Zone

The Vein Zone orebody will be mined via an open pit operation. Planned ore production averages 340 ktpa over seven years. The stripping ratio is approximately 12:1 with a final pit depth of approximately 180m.

Mining equipment selected in the FS includes two 114.3 mm diameter diesel powered blasthole drills, two 8.6 m³ front end loaders and seven 55t capacity trucks.

A plan view of the Vein Zone open pit and the adjacent waste dump is shown in Figure 3.4.

Figure 3.4 Vein Zone - Plan View of Pit and Waste Dump



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3.4.4 Other Deposits

In AMC's opinion, mining is likely to be undertaken on the recently discovered deposits of Mariana Central, San Marcos and Mariana Norte. At this stage resources have not been reported for these deposits and limited or no consideration has been given to mine planning and operational aspects. Notwithstanding these limitations, AMC has, through its consideration of material provided by Andean, and information gathered from Andean management and staff while on site, formed the opinion that it is highly likely that viable mining operations will be established on some or all of these deposits, and that the development of the Mariana deposits may take priority over the Bajo Negro and Vein Zone deposits.

Based on information provided to AMC by Andean, AMC considers that mining approaches at Mariana Central, San Marcos and Mariana Norte are likely to be modelled on development plans for the Eureka and Bajo Negro deposits, with modifications according to deposit specifics.

In establishing its modelling scenarios in Section 7 of this report, AMC has prepared production and cost estimates for these deposits, based on design approaches established for the Eureka and Bajo Negro deposits.

3.5 Mine Capital Costs

As a component of the FS, NCL prepared a capital cost estimate for the mine operations. The estimates are stated to be at an accuracy of $\pm 15\%$. Based on work reported by NCL AMC considers that this assessment of accuracy is reasonable.

In preparing the estimate, NCL obtained recent quotations from Argentinean equipment suppliers, with shipping and other costs added to represent costs delivered to and commissioned on site. Equipment requirements were estimated on a monthly basis throughout the operations life. Unit development costs in US\$/m were established from first principles and applied to estimated quantities. All development underground development outside the orebodies was treated as capital.

The capital cost estimate for the FS production scenario prepared by NCL is summarised in Table 3.3.

Table 3.3 Mining Cost Estimate in US\$M

	Total	2010 to Q1 2012	2012 Q2 to Q4	2013	2014	2015	2016	2017	2018	2019	2020
Eureka											
Mining Equipment	25.8	17.1	8.8	-	-	-	-	-	-	-	-
Minor Equipment	1.6	0.9	0.7	-	-	-	-	-	-	-	-
Development	7.6	7.6	-	-	-	-	-	-	-	-	-
Labour - Staff	4.9	4.9	-	-	-	-	-	-	-	-	-
Labour - Operations	11.8	11.8	-	-	-	-	-	-	-	-	-
Other	0.8	0.8	-	-	-	-	-	-	-	-	-
Mine Development	40.5	13.4	13.4	9.3	2.4	1.9	-	-	-	-	-
Subtotal	93.0	56.4	22.9	9.3	2.4	1.9	-	-	-	-	-
Bajo Negro											
Mine Equipment Overhauls	5.9	-	-	-	2.9	1.8	0.8	0.3	-	-	-
Mine Development	25.5	-	-	-	3.6	8.3	7.2	1.8	1.9	1.6	1.1
Subtotal	31.4	-	-	-	6.5	10.2	8.0	2.2	1.9	1.6	1.1
Vein Zone											
Mining Equipment	13.5	-	-	-	-	5.1	4.6	3.8	-	-	-
Pre Strip	2.5	-	-	-	-	2.5	-	-	-	-	-
Subtotal	16.0	-	-	-	-	7.6	4.6	3.8	-	-	-
Total Mining Capital	140.4	56.4	22.9	9.3	8.9	19.7	12.6	5.9	1.9	1.6	1.1

AMC has reviewed the methods used to establish the estimate and believe they are consistent with good industry practice.

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3.5.1 Mine Operating Costs

In addition to its capital estimates, NCL estimated operating costs for the mine operations. The estimates are stated to be at an accuracy of $\pm 15\%$. Based on AMC's review of the Cerro Negro Mine Feasibility Study report, AMC believes the stated order of accuracy is reasonable.

For the proposed underground mining operations at Eureka and Bajo Negro, NCL estimated operating costs from first principles for each principal mining activity. Unit rates were established on either a US\$/m or US\$/m³ basis and were applied to quantities estimated from the mine design and scheduling exercises.

Labour costs were estimated based on primary data provided by Oroplata. Effective underground operating time per 10 hour shift was estimated at 6.2 hours.

Operating costs for Vein Zone have been established from first principles based on hourly equipment costs and the assessed productivity of the different equipment types per effective hour.

The operating cost estimates for the FS production scenario prepared by NCL are summarised in Tables 3.3 and 3.4.

Table 3.4 Eureka and Bajo Negro - Mining Operating Cost Estimates

Item	Eureka (US\$/t ore mined)	Bajo Negro (US\$/t ore mined)
Drift In Ore (excluding Labour)	2.42	2.86
Stoping and Backfill (excluding Labour)	8.37	8.27
Surface Loading and Haulage (excluding Labour)	4.65	2.56
Operations Labour	9.97	9.26
Services Labour	2.35	4.30
Overheads	6.56	9.51
Other	2.94	4.46
Total	37.25	41.21

Table 3.5 Vein Zone - Mining Operating Cost Estimate

Item	US\$/t Total Material Moved
Drilling	0.12
Blasting	0.30
Loading	0.26
Hauling	0.45
Auxiliary Equipment	0.20
Labour	0.77
Mine General	0.10
Maintenance	0.01
General and Administration	0.24
Total	2.46

AMC considers the mine operating cost to be at the low end of an expected range, though it has not identified specific errors or omissions in the estimating procedures. AMC recognises that there are a range of 'unknown' issues which may present a risk to the current mining cost estimates. Such issues stem from the absence of underground mining and plant operating experienced at Cerro Negro, and emerging cost pressures in regard to labour and related inputs.

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3.6 Mining - Key Findings

Key findings from AMC's review of the mining and ore reserve aspects of the Cerro Negro Project:

- Mining technical work completed as a part of the feasibility study ("FS") prepared in August 2010 has been undertaken consistent with good industry practices.
- The total Probable Mineral Reserve comprises 7.1 Mt grading 9.0 g/t Au and 90 g/t Ag.
- Cost estimates established in the FS have been quoted to an accuracy of $\pm 15\%$.
- The methodology used to establish the capital and operating costs is appropriate and the stated order of accuracy reasonable within the known parameters considered in preparing the estimates.
- AMC considers the mine operating cost to be at the low end of an expected range, though it has not identified specific errors or omissions in the estimating procedures. AMC recognises that there are a range of 'unknown' issues which may present a risk to the current mining cost estimates. Such issues stem from the absence of underground mining and plant operating experience at Cerro Negro, and emerging cost pressures in regard to labour and related inputs.
- For the FS production scenario, preproduction capital requirements for the mining operations total US\$56M. An additional capital of US\$84M is required over the life of the operation for sustaining capital and development costs and prestrip associated with the various open pit mining areas.
- Mining operating costs for the underground operations have been estimated to be in the order of US\$40/t ore mined. Mining operating costs for the Vein Zone open pit have been estimated at US\$2.46/t of total material mined.
- Opportunities may arise to extend the ore reserves at Eureka and Bajo Negro should current Inferred Resources be upgraded in classification or should additional resources be identified as extensions to the known resource.
- The development plan established in the FS may be amended to give priority to establishing mining operations at the Mariana Central, San Marcos and Mariana Norte deposits, should ore reserves be established on these recently discovered deposits.

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4 METALLURGY AND PROCESSING

4.1 Status of Metallurgical Development

Ausenco was responsible for the metallurgical and processing aspects of the FS including management of some of the latest metallurgical testwork, and the process and engineering design of the process plant. The key design criteria for the study were based on milling 675,000 tpa of Eureka ore in the initial years, and then milling 895,000 tpa of blended Bajo Negro and Vein Zone in the latter part of the project.

Continued exploration since commissioning of the FS has resulted in the discovery of three new high grade underground orebodies identified as San Marcos, Mariana Central and Mariana Norte. The high grade of these three new orebodies suggests that it would be advantageous to exploit ore from the new deposits before the introduction of Bajo Negro and Vein Zone ore. Some preliminary metallurgical testwork has been undertaken to evaluate the predicted performance of these ore types through the proposed Cerro Negro processing plant.

4.1.1 Eureka, Bajo Negro and Vein Zone Metallurgy

Staged metallurgical testwork programmes have been undertaken on samples from the Eureka, Bajo Negro and Vein Zone ore deposits from 1998 through to 2010. The work was undertaken at a number of reputable testwork laboratories, including Hydrometallurgical Research Laboratories ("HRL") and AMMTEC Limited in Australia, as well as Process Research Associates Ltd ("PRA") in Canada. Specialist comminution testwork has been undertaken by Hazen Research in USA and JK Tech in Australia. Settling and filtration testwork has been undertaken by Popcock Industrial in USA, and Outotec in Canada.

The most recent testwork programme at AMMTEC (April 2010) was managed by Ausenco. The key objectives of this latest testwork were to verify the previously assessed metallurgical characteristics of the three known orebodies, and to provide sufficient processing design information for inclusion in the FS. The programme included comminution, gravity recovery, leaching optimisation and slurry characterisation testwork. Composite samples representing four major domains for Eureka, and three domains for Bajo Negro, were prepared from drill core samples for the use in the testwork. In addition, variability samples were selected to provide an understanding of the ore characteristics with changing grade and spatial location within the deposits.

Eureka Ore

Mineralogical investigations of Eureka ore showed that the major minerals in the ore are quartz, micas/clays, feldspar, carbonates, iron sulphides, iron oxides and ilmenite. Gold is present primarily as elemental gold with silver. Silver is present as electrum, argentite and silver sulphosalts containing up to 21% silver. Trace sulphides are present in all samples investigated, with pyrite as the predominant sulphide mineral. Sulphides of lead, copper, zinc and silver are also present in some of the samples examined.

Comminution tests on Eureka ore samples showed that the ore is moderately competent, abrasive and hard. Specialist testing showed that the ore is amenable to semi-autogenous ("SAG") milling. Head analyses over a range of variability samples show that the ore has a high and variable silver content with the silver to gold ratio varying between 2:1 and 50:1. Following a review of the deleterious elements in the ore, mercury was identified at levels of around 0.5 ppm which dictates that some pretreatment of recovered gold-silver precipitate will be required prior to smelting. Analyses of site water showed that the quality of water was good and confirmatory leach testing with site water indicated no deleterious effects.

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A comprehensive cyanidation leaching programme using Eureka composite samples showed that gold and silver can be recovered from the ore using conventional milling and cyanide leaching techniques. Optimum leaching conditions, as determined in the work, were a grind size of 80% passing 63 µm, with a cyanide concentration of 0.15%, and a 60 hour leaching time. Some key optimum testwork results which demonstrate the leaching kinetics are summarised in Table 4.1.

Table 4.1 Key Testwork Results Eureka Ore

Parameter	Eureka West	Eureka East	Eureka Upper Central	Eureka Lower Central
Head Grade				
Au g/t	15.9	3.9	8.9	23.5
Ag g/t	245	48	223	350
Comminution				
Abrasion Index Ai	0.57	0.54	0.45	0.48
Bond RWi	21.9	21.3	19.4	19.4
Bond BWi	21.7	21.9	23.2	21.8
Cyanidation Leaching				
Grind µm	63	63	63	63
Au Extraction 24 h	97.9	93.5	95.2	95.6
48 h	98.0	94.5	95.7	96.9
60 h	98.0	95.1	95.6	97.1
Ag Extraction 60 h	87.8	90.1	92.6	92.5

Recovery of coarse precious metals by gravity methods and intensive leaching of concentrate was also investigated. The gravity testwork showed that only a minor improvement in overall recovery would be achieved with inclusion of a gravity recovery circuit.

Variability leaching testwork indicated that the effect of head grade on precious metal leach extraction was minimal above the 3 g/t Aueq cut-off grade. Gold extraction of variability samples varied between 81% and 99%. Based on a review of all testwork results, Ausenco estimated the mean overall recoveries of gold and silver for Eureka ore to be 95% and 86% respectively, using zinc precipitation for precious metal recovery.

Bajo Negro and Vein Zone Ore

Findings from the Bajo Negro and Vein Zone metallurgical testwork were that these ores are lower in silver content with a gold:silver ratio in the range 1 to 10. Bajo Negro has elevated mercury levels similar to Eureka.

Comminution testing has shown that both ore types are moderately competent, abrasive and hard. Cyanidation leach testing has shown that both ore types are amenable to recovery of gold and silver using conventional milling and cyanidation leaching techniques. The optimum leach conditions established in this work were at a grind size 80% passing 106 µm with a cyanide concentration of 0.05% w/w with a 48 hour leach residence time. At these conditions, the expected recovery of gold and silver was 95% for gold and 86% to 87% for silver.

Variability leaching testwork on Bajo Negro indicated that it is similar to Eureka ore in that the effect of head grade on precious metal leach extraction was minimal above the 3 g/t Aueq cut-off grade.

Settling testwork on Eureka and Bajo Negro leached composite samples showed that settling rates are satisfactory for counter-current decantation washing. Gold recovery testwork demonstrated that precious metals can be recovered from the pregnant liquid solution ("PLS") using conventional Merrill Crowe technology.

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San Marcos Ore

Some metallurgical testwork was recently undertaken by SGS Mineral Services ("SGS") in Santiago, Chile on behalf of Andean. AMC has sighted a preliminary interim report by SGS and investigations are ongoing.

Mineralogical work has shown that the vein contains zones of abundant crystalline fresh pyrite, and that the pyrite crystals are coarse grained in the form of veinlets and disseminated sulphides. Comminution testing suggests that the ore is of moderate hardness.

Preliminary cyanidation leaching testwork has shown that the ore has slower leaching kinetics than for equivalent leach conditions with Eureka ore. At a grind size of 80% passing 63 μm and 72 hours leaching the precious metal extractions were around 90% for gold and 60% for silver. SGS considered that the very high sulphide content of the ore was inhibiting leaching and proposed further testwork with preleaching treatment using pre-aeration with lime, lead nitrate additions and higher cyanide concentrations. Gravity testwork was also proposed. AMC concurs with this approach and considers that leaching extractions should be able to be improved with further optimisation of leaching conditions.

Mariana Central and Mariana Norte

AMC has not sighted any metallurgical reports on samples from these new orebodies. For the purpose of this review, AMC assumed that the metallurgical characteristics of these ore types are similar to that established in the Eureka testwork. It is important that testwork be completed to establish the predicted metallurgical performance of these ore types through the proposed processing plant.

4.2 Proposed Processing Plant

It is proposed to treat the ore in a conventional milling and cyanidation leaching plant. The plant will commence production on high grade Eureka ore and it is planned to optimise the milling circuit to achieve a fine grind size of 80% passing 63 μm to achieve a treatment rate of 675,250 tpa or 1,850 tpd. Assuming that Mariana ore is similar to that of Eureka, the plant would continue to operate at these fine grinding conditions and throughput. Later in the project when lower grade ore types are treated, the grind size will be increased to around 80% passing 106 microns, and production rates increased with minimal plant expansion.

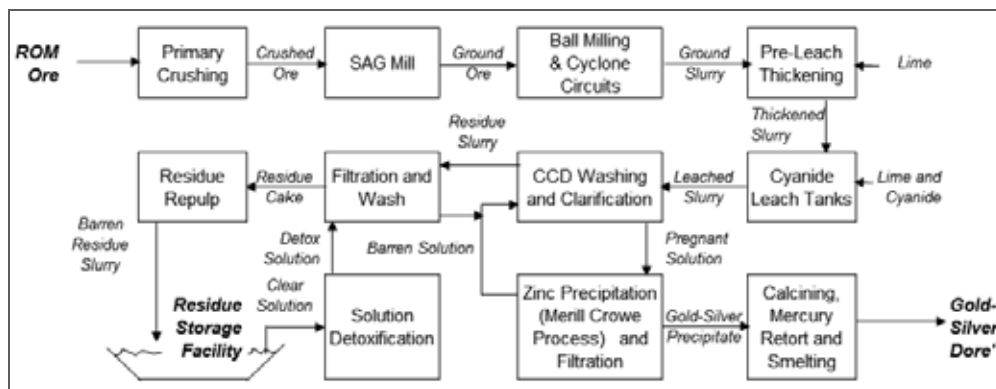
The proposed unit operations for the process plant are based on the recent FS and consist of:

- primary crushing with direct feed of crushed ore to the milling circuit
- primary grinding in a single SAG mill
- secondary grinding in a single ball mill with cyclone classification
- preleach thickening
- cyanidation leaching in five stirred tanks
- three stage counter-current decant washing of leached slurry
- pregnant solution clarification and precious metal recovery by zinc precipitation
- refinery incorporating mercury retort and smelting facilities
- tailings filtration and disposal with cyanide detoxification of residue solution
- fresh and reclaim water supply
- reagent preparation and distribution.

The proposed flowsheet is presented in a simplified Block Flow Diagram in Figure 4.1.

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Figure 4.1 Proposed Processing Flowsheet



The unit operations proposed for the treatment plant are well proven in the gold/silver processing industry. AMC considers that the selection of zinc precipitation (Merrill-Crowe) for gold recovery is a sound choice to accommodate the high and variable silver content of Eureka and other ore types. The process design includes filtration and washing of leached slurry to minimise the residual cyanide concentration of the residue in the TSF. It should be noted that if the slurry filtration characteristics are less favourable than expected, then the filtration section will limit the plant production rate, or alternatively the grind size will need to be increased and this is likely to have a detrimental effect on precious metal recovery, until more filters are installed. The design plant availability is 93% which AMC considers achievable for this type of plant.

4.3 Capital Cost

As part of the recent FS, Ausenco prepared a capital cost estimate for a processing plant and associated services and plant infrastructure to treat 675,000 tpa of Eureka ore. The cost estimate also included allowance for minor upgrade costs to expand the plant to a capacity of 895,000 tpa of blended lower grade ore. The estimate was finalised in June 2010 to a reported accuracy of $\pm 15\%$. Past expenditures including exploration, pre-feasibility and feasibility studies were not included and were considered as sunk costs.

The total project capital cost was estimated to be US\$275M of which US\$56M was attributed to mining. The breakdown of the remaining capital cost for processing plant and infrastructure is summarised in Table 4.2.

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Table 4.2 Capital Cost Estimate Processing Plant and Infrastructure

Cost Centre	Estimated Cost (US\$M)
Direct Costs	
Processing Facility and Plant Upgrade	76.94
Process Plant Services and Utilities	7.14
On-Site Infrastructure	20.81
Power Supply Line	17.38
Off-Site Infrastructure	9.41
Tailings Dam	10.89
Indirect Costs	
Temporary Facilities and Construction Services	12.02
Commissioning, First Fill and Spares	2.06
EPCM Costs	18.30
Owners Costs	12.98
Contingency (12.5%)	30.53
Total	218.50

AMC considers that the estimated capital costs are in line with expectations based on similar projects.

4.4 Process Operating Costs

Ausenco prepared estimates of processing operating costs presented in Q2 2010 terms and at an accuracy level of $\pm 15\%$. The production basis for the estimate was for treatment of Eureka ore at a rate of 675,250 tpa in the early years of the project, and then treatment of a blend of Bajo Negro and Vein Zone at a treatment rate of 895,000 tpa in the latter years of the project. The cost estimates are summarised in Table 4.3.

Table 4.3 Operating Cost Estimate

Cost	Eureka Ore 675,250 tpa		Blend Bajo Negro and Vein Zone 895,000 t/a	
	US\$M pa	US\$/t	US\$M pa	US\$/t
Labour				
Reagents and Consumables	5.39	7.98	5.47	6.12
Media and Wear Materials	2.92	4.32	3.68	4.11
Filter Cloths and Aids	1.38	2.05	1.83	2.05
Sodium Cyanide and Lime	1.59	2.36	2.40	2.68
Zinc Dust	1.80	2.66	0.55	0.61
Peroxide for Detox	0.64	0.95	0.85	0.95
Miscellaneous	0.81	1.20	1.08	1.21
Power	3.82	5.66	3.88	4.34
Laboratory, Vehicles, Mob Equip	0.91	1.35	0.92	1.02
Maint Spares and Consumables	2.20	3.26	2.92	3.26
Total	21.47	31.79	23.57	26.35

AMC considers the processing operating costs as presented in the FS are in line with other similar projects.

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Based on a review of the FS costs and other project cost information, AMC proposes a fixed cost of US\$7M pa, plus a variable cost of US\$21/t of ore treated, be utilised for AMC's scenario modelling as discussed in this review.

4.5 Key Findings

- FS plant throughput is 0.675 Mtpa producing 120 koz to 240 koz per annum over a mine life of nine years. The process flowsheet as presented in the FS comprises crushing, grinding and cyanidation with gold recoveries expected to range from 93% to 96%.
- Further metallurgical testwork is required to evaluate the metallurgical characteristics of San Marcos, Mariana Central and Mariana Norte deposits. There is a risk that testwork may indicate lower metal recoveries than the FS.
- The proposed process design flowsheet includes filtration and washing of leached slurry to minimise the residual cyanide concentration of the residue in the tailings storage facility. There are no settling testwork results available for San Marcos and Mariana orebodies. There is a risk that at the fine grind size proposed, the filtration section will limit the plant production rate or, alternatively, dictate that the grind size be increased and therefore reduce precious metal recovery.
- Comprehensive metallurgical testwork programmes have been undertaken on samples of ore from the Eureka, Bajo Negro and Vein Zone ore deposits. Some preliminary testwork has also been undertaken on San Marcos samples and work is believed to be ongoing. No metallurgical testwork reports covering the metallurgy of the Mariana Central and Mariana Norte deposits have been sighted by AMC. For the purpose of this review, ore from the Mariana deposits is assumed to have similar metallurgical characteristics to Eureka ore.
- Metallurgical testwork to date has shown that the Cerro Negro ore types are free milling and amenable to conventional milling and cyanidation techniques. The ore types tested have been shown to be moderately competent, abrasive and hard. A relatively fine grind size is required to maximise precious metal recovery. Predicted gold recovery is expected to range from 92% to 96%, while silver is lower at 82% to 86%.
- It is proposed to install a milling facility initially capable of treating 675,000 tpa of Eureka ore with the ability to treat higher tonnages of blended lower grade ore. The proposed treatment plant will utilise unit operations that are generally well proven in the gold/silver processing industry. The flowsheet includes two stage milling, conventional cyanidation, and zinc precipitation for precious metal recovery. It is proposed to filter all tailings to maximise cyanide recovery and minimise environmental issues in the tailings storage facility.
- AMC considers that the metallurgical development work to date has been thorough, but additional testwork will be required on samples from more recently explored deposits to confirm the suitability of the proposed plant to treat these ore types.

5 ENVIRONMENT

5.1 Overview

Located in a relatively remote, semi-desert ranching area, the Cerro Negro Project involves few significant technical environmental challenges. Management has properly identified the greatest risk to be community acceptance of the operations, which is reflected in government environmental assessment and approval processes: there are recent precedents in Argentina for the refusal of statutory approval for resource projects subjected to sustained public and community opposition, although it is noted that these projects were located in much more environmentally-sensitive areas than is Cerro Negro.

Unresolved technical risks are acid mine drainage from mine waste and tailings, and management of excess water from mine dewatering. The level of these risks cannot be determined from the information made available for this review, but it is noted that neither is new to the mining industry, and there are numerous examples worldwide of effective management of such challenges.

The likelihood of receiving prompt statutory environmental approval is enhanced by the following aspects of the project:

- Underground mining, especially at Eureka, which lies close to Indian cave paintings along the Pinturas River, to minimise project footprint.
- Lining of the TSF to reduce risks of surface and groundwater contamination.
- Location of the process plant and TSF outside the catchment of the Pinturas River.
- Minimisation of the risk of cyanide pollution by recovering cyanidic liquor from tailings prior to placement in the TSF.
- Maximising water-use efficiency by filtering tailings before disposal and scavenging decant water from the TSF.
- Rigorous environmental management plans to manage such issues as erosion, air quality, spillage control, groundwater monitoring and closure/rehabilitation.

5.2 Significant Environmental Issues

5.2.1 Statutory Environmental Approval

During exploration and development, the project has progressively obtained six environmental approvals to facilitate resource estimation, geotechnical work and other site studies that have underpinned the FS and environmental impact assessment. Of themselves, these approvals are considered to indicate a significant level of acceptance of the project, at least by government.

The major (umbrella) environmental approval from the State Government is expected in Q3 2010, the relevant documentation having been submitted in June 2010. AMC considers there to be no technical environmental issue likely to forestall approval, but has little experience of the socio-political environment of Argentina and the region in which Cerro Negro is located, and thus of the extent to which any community opposition might slow or even prevent statutory approval. On purely technical grounds, AMC considers that the project, if located in a comparable ecosystem in Australia, would be likely to receive statutory environmental approval relatively easily and without onerous conditions of approval. In this context, it is noteworthy that the operating San José mine, located some 25 km to the north of Cerro Negro and close to the Pinturas River, has obtained environmental approval.

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5.2.2 Acid Drainage Risks

Based on static (acid-base accounting and Net Acid Generating pH ("NAG-pH")) testwork of hangingwall and footwall samples from Eureka and Vein Zone, significant amounts of material have been classified as Potentially Acid-Forming ("PAF"), but there are considerable differences between the results from different laboratories.

Initial kinetic (column leaching) work on Eureka material shows initially-high sulphate levels in leachate, diminishing and stabilising after five weeks of a planned 21-week programme. Acid drainage does not, on the basis of this evidence, appear to constitute a major environmental challenge.

AMC is not aware of any relevant testwork carried out on process tailings, but notes that significant pyrite is clearly visible in ore in cores from the Vein Zone and Eureka deposits.

Geochemical testwork is continuing, and it can reasonably be expected that acid-drainage risks will be more clearly identified in the near future. It is noted that a large proportion of mine waste in the Vein Zone operation will come from the oxidised zone, and thus both have inconsequential acid-drainage risk and provide suitable material for encapsulation of potentially acid-forming waste, and that in the underground operations, the greater proportion of waste will be used as stope-fill.

In terms of risk management, AMC notes the low-precipitation (130 mm to 140 mm per year), high-evaporation (1,250 mm per year), semi-desert climate of the Cerro Negro. Extensive leaching is therefore a relatively low risk, and the construction of inert covers to encapsulate acid-forming waste and tailings would be a comparatively small civil engineering exercise. Effective and long term containment of acid-forming material in comparable climatic areas in Australia provides confidence that acid-drainage issues at Cerro Negro can be managed without additional costs likely to significantly affect project economics. However, it will be necessary to accurately quantify acid-drainage risks in advance of significant quantities of PAF material being exposed, so that progressive encapsulation and other environmental protection measures can be developed and implemented early in project life.

5.2.3 Water Management

Although precise volumes are not identified in documents reviewed by AMC, it is likely that significant volumes of excess water from mine dewatering will need to be managed.

Specific programmes for disposal of excess water have not been decided, but some options have been identified. After any treatment required to remove contaminants (especially hydrocarbons) from underground mine water, discharge to a local watercourse or reinjection into a local aquifer have been evaluated. Either strategy will require a specific licence from the environmental regulator. Alternatively, excess mine dewater could be piped to the El Retiro plant for use in process, thereby reducing the demand on the El Retiro bore field.

AMC considers aquifer reinjection to be unlikely to be a viable long term solution, based on experience in Australia. Depending on geology and on volumes of water involved, reinjection programmes are commonly characterised by rapidly declining efficiencies due to blinding and hydrogeological factors (transmissivity, etc).

Discharge to a watercourse is considered likely to be a more feasible option than aquifer reinjection for purely technical reasons. However, changes in volume and seasonality of stream flow, water quality and ecological diversity and abundance would need to be rigorously monitored and the discharge protocol modified if required. Discharge to watercourses is, compared with aquifer reinjection, a more common and reliable strategy, and its environmental impacts can be reduced by discharging to a large, desirably-permanent stream (smaller proportional impact). The low salinity of the groundwater (400 mg/L to 1,000 mg/L Total Dissolved Solids - potable standard) reduces the risk of discharge having unacceptable environmental impacts.

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5.2.4 Closure and Rehabilitation

Technically, closure and rehabilitation at Cerro Negro presents no novel challenges. The areal footprint of the project has been practicably minimised, and the management of acid drainage, especially in this semi-desert environment, is clearly feasible.

Conceptual closure and rehabilitation plans have been developed, with the primary post-mining land use identified as grazing. Detailed prescriptions are likely to require inclusion of protocols for encapsulation of acid-forming waste and tailings with inert and/or acid-consuming material, but the principles underpinning such protocols are well established internationally, and there is a large amount of inert, oxide waste at Vein Zone.

Andean includes an allowance of US\$25M for closure and rehabilitation in its FS cost estimates. The basis for calculation of this sum is not known to AMC. However, AMC has developed a closure cost using areas of disturbance data that are included in the environmental approval documentation (June 2010) and unit rates typical in Australia and other parts of the world for closure treatment of different landform types. Two scenarios have been examined: one wherein acid drainage is not a major issue; and one where it is significant. Table 5.1 shows the costs involved.

Table 5.1 AMC Closure Estimate

Project Area	Disturbance Type	Area (ha)	No Acid Drainage Issue		Significant Acid Drainage Issue	
			Closure Cost (US\$/ha)	Total Cost (US\$)	Closure Cost (US\$/ha)	Total Cost (US\$)
Eureka	Camp	4.5	5,000	22,500	5,000	22,500
	Portal	1.0	50,000	50,000	50,000	50,000
	Sewage Pond	1.0	5,000	5,000	5,000	5,000
	Quarry (borrow pit)	10.0	7,500	75,000	7,500	75,000
	Workshop	1.0	7,500	7,500	7,500	7,500
	Mine Water Drainage Pond	2.4	5,000	12,000	30,000	72,000
	Ore Stockpile	0.6	5,000	3,000	5,000	3,000
	Waste Stockpile	2.5	25,000	62,500	45,000	112,500
Bajo Negro	Portal	1.0	50,000	50,000	50,000	50,000
	Ore Stockpile	0.6	5,000	3,000	5,000	3,000
Vein Zone	Waste stockpile	50.4	25,000	1,260,000	45,000	2,268,000
	Open pit (void)	15.9	2,000	31,800	2,000	31,800
Roads, tracks	Surface	185.0	5,000	925,000	5,000	925,000
El Retiro	Plant Site	7.6	7,500	57,000	7,500	57,000
	Quarry (borrow pit)	10.0	7,500	75,000	7,500	75,000
	Sewage Pond	1.0	5,000	5,000	5,000	5,000
	ROM Stockpile	4.6	7,500	34,500	7,500	34,500
	Camp	3.9	5,000	19,500	5,000	19,500
	Tailings Storage Facility	53.8	30,000	1,614,000	45,000	2,421,000
	Workshop	1.5	7,500	11,250	7,500	11,250
HV Power Line	Surface	84.5	5,000	422,500	5,000	422,500
Total		442.8		4,746,050		6,671,050

Depending on the significance of acid drainage, closure costs are considered to be between about US\$5M and US\$7M (including allowance for post-closure environmental monitoring). No allowance has been made for demolition or salvage, as demolition costs are likely to be significantly offset by

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salvage revenues, and infrastructure such as significant roads and power lines are unlikely to need removal at the end of project life. They would likely remain as part of regional and local infrastructure.

Without knowledge of the basis on which the Andean estimate of US\$25M was made, AMC cannot reconcile its and Andean's figures for closure. However, AMC has confidence that the US\$25M is a generous allowance.

5.3 Key Findings

- The project involves no technical environmental challenge which is likely to require development of novel mitigation protocols, but there remains some unresolved detail regarding acid-generation risks and discharge of excess water. The crucial environmental risk is statutory approval; not because of technical environmental issues, but from socio-political considerations beyond AMC's expertise.
- Acid-drainage risks from both mine waste and tailings have been identified qualitatively in laboratory testwork, and now need to be quantified so that pro-active management programmes can be developed before significant quantities of acid-generating material are exposed.
- Development of an accurate water balance, and thus identification of the volume of excess water to be managed, will allow detailed planning of procedures and monitoring regimes required. Aquifer reinjection is likely to be technically unreliable, and that discharge to an existing stream is to be preferred, with use in the El Retiro plant also a viable option.
- AMC estimates closure costs at US\$5M to US\$7M; much less than the US\$25M included in Andean's cost estimates. AMC considers the US\$25M estimate to be generous. Accordingly, AMC has included closure cost estimates of US\$5M to US\$7M in the scenarios it provided to Grant Samuel.

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6 AMC MODELLING SCENARIOS

AMC has modelled 2 scenarios for the Cerro Negro Project. The cases, which include projections of mining and processing inventories, ore grades and operating and capital costs, have been prepared to advise Grant Samuel in its preparation of an independent expert's report including a valuation of Andean's assets.

Case 1 is based on ore reserve estimates and that part of other mineral resources and readily demonstrable exploration potential for which AMC judges there is a high confidence of future conversion to ore reserves.

Case 2 adds to Case 1 mining and processing inventories, those tonnages which AMC judges to represent likely further additions to ore reserves from existing mineral resources and from exploration potential but to a lesser confidence level than in Case 1. Case 2 provides for an increase in production rate. Nevertheless, AMC believes that the Case 2 modelling scenarios are based on reasonable grounds.

In preparing its cases, AMC has reviewed a life of mine ("LOM") model prepared by Andean which considers a number of development options in addition to the projections established in the FS.

AMC has accepted Andean's approach to utilise underground mining methods at all deposits other than Vein Zone.

AMC Case 1 Modelling Scenario

Key aspects of AMC's Case 1 modelling scenario:

- The assumed mining inventory includes:
 - the Eureka Ore Reserve extended to include an addition of approximately 500 kt grading 9.5 g/t Au
 - the Bajo Negro and Vein Zone Ore Reserves
 - 1,550 kt grading 30 g/t Au from the Mariana Central deposit
 - 1,935 kt grading 7.7 g/t Au from the San Marcos deposit.
- The contained gold projected in AMC's Case 1 scenario is 4,212 koz Au, whereas the contained gold in the stated ore reserves totals 2,072 koz Au.
- AMC's inclusion of significant additions to the stated ore reserves is based on its review of information current at September 2010 and judgement in respect of the prospective nature of the deposits.
- The projected ore milling rate has been based on the results of the FS. AMC believes this to be an appropriate rate for the mining inventory estimated in this case.
- Gold and silver metallurgical recoveries have been selected based on estimates used by Andean in its LOM model. For certain mining areas included in AMC's Case 1, metallurgical testwork is limited. However, based on its experience in similar orebodies, AMC is satisfied that the recovery estimates used are reasonable.
- Capital and operating costs have been estimated based on AMC's review of the recent FS and supporting documentation, and AMC's general industry experience. For those deposits where ore reserves have been estimated, AMC has used estimates from the FS. For the deposits where ore reserves have not been estimated, AMC has relied on preliminary estimates prepared by Andean and has escalated these by 15%, the lower confidence level of the FS estimates.

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- Mine operating costs are based on FS estimates. For deposits where ore reserves have not been estimated, AMC has increased the rates estimated in the FS by 15% to reflect uncertainties with these deposits.

Table 6.1 summarises key parameters of the Case 1 modelling scenario. Additional detail regarding the assumed ore source schedule is provided in Appendix D.

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Table 6.1 AMC Case 1 Modelling Scenario

Item	Unit	Total/ Average	2010	2011	2012	2013	2014	2015
Production Parameters								
Ore Mined	kt	11,161	-	-	466	675	675	800
Gold Grade	g/t	11.7	-	-	12.0	15.4	20.0	22.0
Silver Grade	g/t	97.4	-	-	201.7	173.7	187.3	181.3
Contained Gold	koz	4,212	-	-	179	335	434	565
Contained Silver	koz	34,957	-	-	3,020	3,769	4,065	4,663
Ore Processed	kt	11,161	-	-	466	675	675	800
Gold Recovery	%	1	-	-	1	1	1	1
Silver Recovery	%	1	-	-	1	1	1	1
Gold Recovered	koz	3,985	-	-	169	319	412	535
Silver Recovered	koz	29,940	-	-	2,605	3,225	3,500	4,012
Site Operating Cash Costs								
Mining	US\$M	450.6	-	-	18.6	27.5	28.7	34.4
Processing	US\$M	339.4	-	-	16.8	21.2	21.2	23.8
Administration	US\$M	132.9	-	-	6.5	9.5	9.5	11.2
Total Site Operating Cash Cost	US\$M	922.9	-	-	41.9	58.1	59.3	69.4
Total Site Operating Cash Cost / Tonne	US\$/t	82.7	-	-	90.0	86.0	87.8	86.8
Total Site Operating Cash Cost / Ounce	US\$/oz	231.6	-	-	247.4	182.1	144.0	129.6
Capital Costs								
Exploration & Resource Development	US\$M	15.0	6.0	6.0	3.0	-	-	-
Sustaining	US\$M	59.0	1.0	2.0	5.0	5.0	5.0	5.0
Expansion	US\$M	491.3	22.6	191.5	110.6	26.6	45.8	20.8
Closure	US\$M	5.0	-	-	-	-	-	-
Total Capital Cost	US\$M	570.3	29.6	199.5	118.6	31.6	50.8	25.8

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AMC Case 2 Modelling Scenario

Key aspects of AMC's Case 2 modelling scenario:

- An mining inventory containing, in addition to AMC's Case 1, 4,000 kt grading 11.6 g/t Au.
- The assumed additions to the Case 1 mining inventory are:
 - 800 kt grading 8 g/t Au extension at the Eureka deposit
 - 400 kt grading 30 g/t Au extension at the Mariana Central deposit
 - 1,400 kt grading 8 g/t Au from the Mariana Norte deposit
 - 1,400 kt grading 12 g/t from an additional deposit 'New Mine' to be mined by underground mining methods.
- The milling rate has been increased to approximately 1,200 ktpa as a consequence of the expanded mining inventory.
- Metallurgical recoveries have been established on the same basis used for Case 1. Average Case 1 recoveries have been applied to the New Mine inventory.
- The methodology used in Case 2 to estimate unit operating costs is as in Case 1.
- Unit operating costs remain unchanged from Case 1 other than with the expanded mill throughput rate. Economies of scale are achieved as fixed costs are reduced on a unit cost basis.
- The methodology used in Case 2 to estimate capital costs is as in Case 1.
- Capital costs have been increased by US\$166M to accommodate the mill expansion, the establishment of the additional mining areas at Mariana Norte and the New Mine, and minor addition of sustaining and resource development capital.

Table 6.2 summarises key parameters of the Case 2 modelling scenario. Additional detail regarding the assumed ore source schedule is provided in Appendix D.

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Table 6.2 AMC Case 2 Modelling Scenario

	Item	Units	Total/ Average	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Production Parameters	Ore Mined	kt	15,161	-	-	466	675	675	959	1,247	1,347	1,182	1,181	1,271	1,247	1,094	1,247	847	847	562	313	-
	Gold Grade	g/t	11.7	-	-	12.0	15.4	20.0	19.8	17.0	16.2	17.1	8.3	7.8	7.9	7.8	7.8	8.0	7.5	4.3	6.7	-
	Silver Grade	g/t	92.2	-	-	201.7	173.7	187.3	155.3	151.1	119.6	134.5	47.1	56.7	66.1	58.5	46.2	37.0	36.0	8.9	17.2	-
	Contained Gold	koz	5,703	-	-	179	335	434	610	681	703	652	315	317	317	279	313	217	205	78	68	-
	Contained Silver	koz	44,936	-	-	3,020	3,789	4,065	4,788	6,057	5,179	5,114	1,788	2,315	2,610	2,058	1,852	1,009	979	160	173	-
	Ore Processed	kt	15,161	-	-	466	675	675	959	1,247	1,347	1,182	1,181	1,271	1,247	1,094	1,247	847	847	562	313	-
	Gold Recovery	%	1	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-
	Silver Recovery	%	1	-	-	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-
	Gold Recovered	koz	5,399	-	-	169	319	412	578	644	665	617	296	298	298	263	297	208	196	75	65	-
	Silver Recovered	koz	38,507	-	-	2,605	3,225	3,500	4,113	5,209	4,441	4,366	1,508	1,951	2,196	1,738	1,590	889	863	141	153	-
Site Operating Cash Costs	Mining	US\$M	629.8	-	-	18.6	27.5	28.7	40.8	52.3	56.9	50.7	49.9	54.7	57.8	58.0	54.8	36.4	31.0	8.9	3.1	-
	Processing	US\$M	430.4	-	-	16.8	21.2	21.2	27.1	33.2	35.3	31.8	31.8	33.7	33.2	30.0	33.2	24.8	24.8	18.8	13.6	-
	Administration	US\$M	162.7	-	-	6.5	9.5	9.5	13.4	12.5	13.5	11.8	11.8	12.7	12.5	10.9	12.5	8.5	8.5	5.6	3.1	-
	Total Site Operating Cash Cost	US\$M	1,222.9	-	-	41.9	58.1	59.3	81.3	98.0	105.7	94.3	93.5	101.1	103.4	98.9	100.5	69.6	64.3	33.3	19.7	-
	Total Site Operating Cash Cost / Tonne	US\$/t	80.7	-	-	90.0	86.0	87.8	84.8	78.5	78.4	79.8	79.2	79.6	82.9	90.4	80.5	82.2	75.8	59.3	63.1	-
	Total Site Operating Cash Cost / Ounce	US\$/oz	226.5	-	-	247.4	182.1	144.0	140.7	152.2	158.9	152.9	315.7	339.2	347.2	376.3	338.1	335.1	327.6	444.1	305.4	-
Capital Costs	Exploration & Resource Development	US\$M	20.0	6.0	6.0	3.0	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sustaining	US\$M	62.0	1.0	2.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	-	-
	Expansion	US\$M	648.6	22.6	191.5	110.1	49.4	88.7	35.0	26.2	9.9	21.3	9.7	12.5	28.3	16.1	17.0	6.9	3.5	-	-	-
	Closure	US\$M	7.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Cost	US\$M	737.6	29.6	199.5	118.1	59.4	93.7	40.0	31.2	14.9	26.3	12.7	15.5	31.3	19.1	20.0	9.9	6.5	3.0	-	7.0

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6.1 Key Findings

AMC has established two modelling scenarios to inform valuation work undertaken by Grant Samuel. Case summaries are shown in Table 6.3.

Table 6.3 AMC Modelling Scenarios - Case Summaries

Item	Unit	Case 1	Case 2
Ore milled	'000 t	11,161	15,161
Gold			
Milled grade	g/t	11.7	11.7
Contained Au	koz	4,212	5,703
Recovery	%	95	95
Recovered Au	koz	3,985	5,399
Silver			
Milled grade	g/t	97.4	92.2
Contained Ag	koz	34,957	44,936
Recovery	%	86	86
Recovered Ag	koz	29,940	38,507
Total Capital	US\$M	570.3	737.6
Total Operating Costs	US\$/oz	231.56	226.49
Total Capital	US\$/oz	143.09	136.61
Total Cash Outflow	US\$/oz	374.65	363.10

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7 QUALIFICATIONS

AMC is a firm of mineral industry consultants whose activities include the preparation of due diligence reports and reviews on mining and exploration projects for equity and debt funding and for public reports.

AMC has completed assignments of a similar nature for Grant Samuel. In these assignments, AMC and its subconsultants have acted as independent parties. AMC and its subconsultants have not carried out technical consulting assignments for Andean.

Neither AMC nor its subconsultants have any business relationship with either Grant Samuel or Andean other than the carrying out of individual consulting assignments as engaged.

While some employees of AMC and its subconsultants may have small direct or beneficial shareholdings in Andean, neither AMC nor the contributors to this report nor members of their immediate families have any interests in Andean that could be reasonably construed to affect their independence. AMC has no pecuniary interest, association or employment relationship with Grant Samuel or with Andean.

AMC is being paid a fee according to its normal per diem rates and out-of-pocket expenses in the preparation of this report. AMC's fee is not contingent upon the outcome of the transaction subject to this report.

In letters relating to our engagement, Andean agreed to comply with those obligations of the commissioning entity under the VALMIN Code including that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information has been made.

In preparing this report, AMC has relied on information provided by Andean and AMC has no reason to believe that information is materially misleading or incomplete or contains any material errors. Andean has been provided with drafts of those sections of our report relating to its operations to enable correction of any factual errors and notation of any material omissions. The views, statements, opinions and conclusions expressed by AMC are based on the assumption that all data provided to it by Andean are complete, factual and correct to the best of Andean's knowledge.

Andean has separately represented in writing that to the best of its knowledge, it has provided AMC with all material information relevant to the operations and projects described in this report.

This report and the conclusions in it are effective at 4 October 2010. Those conclusions may change in the future with changes in relevant metal prices, exploration and other technical developments in regard to the projects and the market for mineral properties.

Andean has provided AMC with indemnities in regard to damages, losses and liabilities related to or arising out of our engagement other than those arising from illegal acts, bad faith or negligence on our part or our reliance on unauthorised statements from third parties.

This report has been provided to Grant Samuel for the purposes of forming its opinion as to the value of Andean's assets. AMC has given its consent for its report to be appended to Grant Samuel's report and for it to be provided to shareholders and has not withdrawn that consent before their lodgement with the Australian Securities & Investments Commission. Neither this report nor any part of it may be used for any other purpose without written consent.

Annexure C: Independent Technical Specialist’s Report

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The signatories to this report are corporate members of the AusIMM and bound by its Code of Ethics.

(Signed)

A M Chuk
M AusIMM
Principal Consultant

(Signed)

L J Gillett
M AusIMM (CP)
Director

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APPENDIX A **ABBREVIATIONS**

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Appendix A

Annexure C: Independent Technical Specialist's Report

ANDEAN RESOURCES LTD Andean Independent Technical Specialist's Report

AMC	AMC Consultants Pty Ltd.
Andean	Andean Resources Limited.
ASX	Australian Securities Exchange.
Ausenco	Ausenco Solutions Canada Inc.
CIM Definition Standards	CIM Standing Committee on Reserve Definitions 2005.
CIP	Carbon-in-pulp.
DHH	Down the hole hammer.
FS	Feasibility study.
Goldcorp	Goldcorp Inc.
Grant Samuel	Grant Samuel & Associates Pty Ltd.
HRL	Hydrometallurgical Research Laboratories.
LHDs	Load-haul-dump units.
LOM	Life of mine.
MIM	MIM Argentina Exploraciones.
NAG-pH	Net acid generating pH.
NCL	NCL Ingenieria Construcccion Ltda.
Newcrest	Minera Newcrest Argentina S.A.
NI 43-101	National Instrument 43-101 Standards of Disclosure for Mineral Projects
PAF	Potentially acid forming.
Pegasus	Pegasus Gold International.
PFS	Prefeasibility study.
PLS	Pregnant liquid solution.
PRA	Process Research Associates Ltd.
RC	Reverse circulation.
SAG	Semi-autogenous.
Scheme	Scheme of arrangement.
SGS	SGS Mineral Services.
the Project	Cerro Negro Project.
the Transaction	Whereby Goldcorp will acquire all the outstanding shares in Andean.
TSX	Toronto Stock Exchange.

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APPENDIX B
REPORT CONTRIBUTORS

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Appendix B

Annexure C: Independent Technical Specialist's Report

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Name	Qualifications	Affiliations	Involvement
Andrew Chuk	BEng (Mining) (Hons) B Economics	AMC Principal Consultant	Project Leader, Mining and Infrastructure
Lawrie Gillett	BEng (Mining) DipGeosc (Mineral Economics)	AMC Director/ Principal Mining Engineer	Peer reviewer.
Dean Carville	BSc (Geology) (Hons)	AMC Principal Geologist	Geology and Resources
Tony Showell	B App Sc (Metallurgy)	Tony Showell & Associates, Metallurgist	Metallurgy and Processing
Chris John	BSc (Agric) (Hons) PhD	John Consulting Service, Director	Environment

Annexure C: Independent Technical Specialist's Report

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APPENDIX C

PRINCIPAL INFORMATION SOURCES

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Appendix C

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ANDEAN RESOURCES LTD Andean Independent Technical Specialist's Report

Key references used by AMC in preparing this report are:

Andean Resources, Cerro Negro Site Tour Presentation, April 2010.

Ausenco, Technical Report on the Cerro Negro Feasibility Study Santa Cruz Province, Argentina. 20 July 2010, 1892-RPT-010 Revision Number 0.

NCL Ingenieria y Construccion Ltda. Cerro Negro Mine Feasibility Study. August

San Marcos Metallurgical Testwork Preliminary Report, SGS Mineral Services Chile, June 2010

Several emails from Mr Carlos Monjo, Group Environmental Affairs.

Technical Report on the Prefeasibility Study, Cerro Negro Property, Santa Cruz Province, Argentina. December 2008.

Technical Report on the Cerro Negro Property, Santa Cruz Province, Argentina. October 2007.

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APPENDIX D
AMC MODELLING SCENARIOS
PRODUCTION SCHEDULES

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Appendix D

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Case 1

Item	Total Average	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Eureka																				
Tonnes ore mined (000's)	3,466	-	-	466	600	400	400	400	400	400	400	-	-	-	-	-	-	-	-	-
Head grade Au (g/t)	13.0	-	-	12.0	13.6	13.2	13.9	13.6	14.0	13.6	10.0	-	-	-	-	-	-	-	-	-
Head grade Ag (g/t)	178.3	-	-	201.7	172.9	192.3	182.6	255.9	180.0	180.0	50.0	-	-	-	-	-	-	-	-	-
Contained Au (koz)	1,440	-	-	179	283	189	179	175	180	175	129	-	-	-	-	-	-	-	-	-
Contained Ag (koz)	19,688	-	-	3,020	3,335	2,473	2,348	3,419	2,315	2,315	643	-	-	-	-	-	-	-	-	-
Mariana Central																				
Tonnes ore mined (000's)	1,550	-	-	-	75	275	400	400	400	-	-	-	-	-	-	-	-	-	-	-
Head grade Au (g/t)	30.0	-	-	-	30.0	30.0	30.0	30.0	30.0	-	-	-	-	-	-	-	-	-	-	-
Head grade Ag (g/t)	180.0	-	-	-	180.0	180.0	180.0	180.0	180.0	-	-	-	-	-	-	-	-	-	-	-
Contained Au (koz)	1,456	-	-	-	72	265	386	386	386	-	-	-	-	-	-	-	-	-	-	-
Contained Ag (koz)	8,970	-	-	-	434	1,591	2,315	2,315	2,315	-	-	-	-	-	-	-	-	-	-	-
San Marcos																				
Tonnes ore mined (000's)	1,935	-	-	-	-	-	-	100	159	447	447	447	167	-	-	-	-	-	-	-
Head grade Au (g/t)	7.7	-	-	-	-	-	-	7.7	7.7	7.7	7.7	7.7	7.7	7.7	-	-	-	-	-	-
Head grade Ag (g/t)	67.0	-	-	-	-	-	-	67.0	67.0	67.0	67.0	67.0	67.0	67.0	-	-	-	-	-	-
Contained Au (koz)	479	-	-	-	-	-	-	25	39	111	111	111	41	-	-	-	-	-	-	-
Contained Ag (koz)	4,167	-	-	-	-	-	-	215	342	963	964	964	359	-	-	-	-	-	-	-
Bajo Negro																				
Tonnes ore mined (000's)	1,835	-	-	-	-	-	-	-	-	-	-	159	447	447	447	334	-	-	-	-
Head grade Au (g/t)	7.7	-	-	-	-	-	-	-	-	-	-	8.8	8.4	7.8	7.2	7.0	-	-	-	-
Head grade Ag (g/t)	21.2	-	-	-	-	-	-	-	-	-	-	24.4	22.5	23.2	19.8	16.9	-	-	-	-
Contained Au (koz)	457	-	-	-	-	-	-	-	-	-	-	45	120	113	104	75	-	-	-	-
Contained Ag (koz)	1,249	-	-	-	-	-	-	-	-	-	-	125	323	334	285	181	-	-	-	-
Mariana Norte																				
Tonnes ore mined (000's)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Head grade Au (g/t)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Head grade Ag (g/t)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contained Au (koz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contained Ag (koz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Underground																				
Tonnes ore mined (000's)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Head grade Au (g/t)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Head grade Ag (g/t)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contained Au (koz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contained Ag (koz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vein Zone																				
Tonnes ore mined (000's)	2,376	-	-	-	-	-	-	-	-	-	-	160	238	298	298	447	562	313	-	-
Tonnes waste mined (000's)	28,954	-	-	-	-	-	-	-	-	-	1,114	5,868	4,495	4,495	4,495	4,992	2,987	908	-	-
Head grade Au (g/t)	4.3	-	-	-	-	-	-	-	-	-	3.1	4.2	4.2	4.2	4.2	3.5	4.3	6.7	-	-
Head grade Ag (g/t)	9.2	-	-	-	-	-	-	-	-	-	5.3	8.3	8.3	8.3	8.3	7.3	8.9	17.2	-	-
Contained Au (koz)	332	-	-	-	-	-	-	-	-	-	16	40	40	40	40	51	78	68	-	-
Contained Ag (koz)	702	-	-	-	-	-	-	-	-	-	27	79	79	79	79	105	160	173	-	-
Total																				
Tonnes ore mined (000's)	11,161	-	-	466	675	675	800	900	959	847	847	766	912	912	745	781	562	313	-	-
Head grade Au (g/t)	11.7	-	-	12.0	15.4	20.0	22.0	20.2	19.6	10.5	8.8	7.0	6.9	6.6	6.0	5.0	4.3	6.7	-	-
Head grade Ag (g/t)	97.4	-	-	201.7	173.7	187.3	181.3	205.6	161.3	120.3	59.0	45.3	26.0	26.3	15.2	11.4	8.9	17.2	-	-
Contained Au (koz)	4,212	-	-	179	335	434	565	585	605	286	239	172	201	194	143	126	76	68	-	-
Contained Ag (koz)	34,937	-	-	3,020	3,789	4,065	4,630	5,949	4,972	3,278	1,607	1,116	792	773	364	286	160	173	-	-

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Annexure C: Independent Technical Specialist's Report

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Case 2

Item	Total Average	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Eureka																				
Tonnes ore mined (000's)	4,286	-	-	466	600	400	400	400	400	400	400	400	400	-	-	-	-	-	-	-
Head grade Au (g/t)	12.1	-	-	12.0	13.6	13.2	13.9	13.6	14.0	13.6	10.0	8.0	8.0	-	-	-	-	-	-	-
Head grade Ag (g/t)	196.1	-	-	201.7	172.9	192.3	182.6	285.9	180.0	180.0	50.0	60.0	60.0	-	-	-	-	-	-	-
Contained Au (kcoz)	1,655	-	-	179	263	169	179	175	180	175	129	103	103	-	-	-	-	-	-	-
Contained Ag (kcoz)	21,411	-	-	3,020	3,335	2,473	2,348	3,419	2,315	2,315	643	772	772	-	-	-	-	-	-	-
Mariana Central																				
Tonnes ore mined (000's)	1,950	-	-	-	75	275	400	400	400	400	-	-	-	-	-	-	-	-	-	-
Head grade Au (g/t)	30.0	-	-	-	30.0	30.0	30.0	30.0	30.0	30.0	-	-	-	-	-	-	-	-	-	-
Head grade Ag (g/t)	180.0	-	-	-	180.0	180.0	180.0	180.0	180.0	180.0	-	-	-	-	-	-	-	-	-	-
Contained Au (kcoz)	1,881	-	-	-	72	265	386	386	386	386	-	-	-	-	-	-	-	-	-	-
Contained Ag (kcoz)	11,285	-	-	-	434	1,591	2,315	2,315	2,315	2,315	-	-	-	-	-	-	-	-	-	-
San Marcos																				
Tonnes ore mined (000's)	1,935	-	-	-	-	-	-	-	100	159	447	447	447	334	-	-	-	-	-	-
Head grade Au (g/t)	7.7	-	-	-	-	-	-	-	7.7	7.7	7.7	7.7	7.7	7.7	-	-	-	-	-	-
Head grade Ag (g/t)	67.0	-	-	-	-	-	-	-	67.0	67.0	67.0	67.0	67.0	67.0	-	-	-	-	-	-
Contained Au (kcoz)	479	-	-	-	-	-	-	-	25	39	111	111	111	83	-	-	-	-	-	-
Contained Ag (kcoz)	4,167	-	-	-	-	-	-	-	215	342	963	964	964	719	-	-	-	-	-	-
Bajo Negro																				
Tonnes ore mined (000's)	1,635	-	-	-	-	-	159	447	447	224	334	224	-	-	-	-	-	-	-	-
Head grade Au (g/t)	7.7	-	-	-	-	-	8.8	8.4	7.8	7.2	7.0	7.2	-	-	-	-	-	-	-	-
Head grade Ag (g/t)	21.2	-	-	-	-	-	24.4	22.5	23.2	19.8	16.9	19.8	-	-	-	-	-	-	-	-
Contained Au (kcoz)	457	-	-	-	-	-	45	120	113	52	75	52	-	-	-	-	-	-	-	-
Contained Ag (kcoz)	1,249	-	-	-	-	-	125	323	334	143	181	143	-	-	-	-	-	-	-	-
Mariana Norte																				
Tonnes ore mined (000's)	1,400	-	-	-	-	-	-	-	-	-	-	200	400	400	400	-	-	-	-	-
Head grade Au (g/t)	8	-	-	-	-	-	-	-	-	-	-	8.0	8.0	8.0	8.0	-	-	-	-	-
Head grade Ag (g/t)	68	-	-	-	-	-	-	-	-	-	-	68.0	68.0	68.0	68.0	-	-	-	-	-
Contained Au (kcoz)	390	-	-	-	-	-	-	-	-	-	-	51	103	103	103	-	-	-	-	-
Contained Ag (kcoz)	3,061	-	-	-	-	-	-	-	-	-	-	437	875	875	875	-	-	-	-	-
New Underground																				
Tonnes ore mined (000's)	1,400	-	-	-	-	-	-	-	-	-	-	-	-	200	400	400	400	-	-	-
Head grade Au (g/t)	12.0	-	-	-	-	-	-	-	-	-	-	-	-	12.0	12.0	12.0	12.0	-	-	-
Head grade Ag (g/t)	68.0	-	-	-	-	-	-	-	-	-	-	-	-	68.0	68.0	68.0	68.0	-	-	-
Contained Au (kcoz)	540	-	-	-	-	-	-	-	-	-	-	-	-	77	154	154	154	-	-	-
Contained Ag (kcoz)	3,061	-	-	-	-	-	-	-	-	-	-	-	-	437	875	875	875	-	-	-
Vein Zone																				
Tonnes ore mined (000's)	2,376	-	-	-	-	-	-	-	-	-	-	-	-	160	447	447	447	562	313	-
Tonnes wasted moved (000's)	28,955	-	-	-	-	-	-	-	-	-	-	-	1,114	5,868	6,751	6,735	4,592	2,987	908	-
Head grade Au (g/t)	4.3	-	-	-	-	-	-	-	-	-	-	-	-	3.1	3.9	4.4	3.5	4.3	6.7	-
Head grade Ag (g/t)	9.2	-	-	-	-	-	-	-	-	-	-	-	-	5.3	7.2	9.3	7.3	8.9	17.2	-
Contained Au (kcoz)	331	-	-	-	-	-	-	-	-	-	-	-	-	16	56	63	51	78	68	-
Contained Ag (kcoz)	703	-	-	-	-	-	-	-	-	-	-	-	-	27	103	134	105	160	173	-
Total																				
Tonnes ore mined (000's)	15,161	-	-	466	675	675	959	1,247	1,347	1,182	1,181	1,271	1,247	1,094	1,247	847	847	562	313	-
Head grade Au (g/t)	11.7	-	-	12.0	15.4	20.0	19.8	17.0	16.2	17.1	8.3	7.8	7.9	7.9	7.8	8.0	7.5	4.3	6.7	-
Head grade Ag (g/t)	92.2	-	-	201.7	173.7	187.3	155.3	151.1	119.6	134.5	47.1	56.7	65.1	58.5	46.2	37.0	36.0	8.9	17.2	-
Contained Au (kcoz)	5,703	-	-	179	335	434	610	681	703	652	315	317	317	317	313	217	205	78	68	-
Contained Ag (kcoz)	44,936	-	-	3,020	3,769	4,065	4,788	6,057	5,179	5,114	1,788	2,315	2,610	2,058	1,852	1,009	979	160	173	-

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Appendix D-2

Annexure D

Summary of Merger Implementation Agreement



Annexure D: Summary of Merger Implementation Agreement

The Merger Implementation Agreement sets out the obligations of Andean and Goldcorp in connection with the implementation of the Merger.

A summary of the structure of the Merger, and an outline of the key terms of the Merger Implementation Agreement is set out below.

1. Outline of Merger

Under the Scheme, Shareholders will transfer their Andean Shares to Goldcorp in exchange for:

- Cash Consideration (C\$6.50 per Andean Share); or
 - Share Consideration (0.14 of Goldcorp Shares for each Andean Share),
- in accordance with an Election to be made by each Shareholder. Shareholders may specify the proportion of their Andean Shares in respect of which they wish to receive the Cash Consideration and the Share Consideration. The maximum aggregate Cash Consideration payable by Goldcorp is C\$1,000,000,000. Elections by Shareholders to receive Cash Consideration will be reduced on a pro-rata basis to the extent this cap would be exceeded, and Share Consideration issued instead.

2. Conditions precedent

Implementation of the Merger is subject to the following conditions precedent:

- (FIRB) FIRB approval of the Merger;
- (regulatory approvals) Any regulatory authority approvals necessary to implement the Scheme being obtained;
- (court orders) No court order or other legal restraint preventing the implementation of the Scheme;
- (Scheme approval) Shareholder approval of the Scheme by the Requisite Majority of Shareholders under the Corporations Act;
- (options) All outstanding options to acquire Andean Shares and other performance rights have vested, been exercised, cancelled, acquired by Goldcorp or there is an agreement that these be exchanged for Goldcorp Options and all outstanding performance rights and share grants allocated pursuant to the ESOP being vested;
- (court approval) Court approval of the Scheme;
- (third party consents) Approvals under material contracts necessary to implement the Merger, or, which if not obtained, would result in an Andean or Goldcorp Material Adverse Change;
- (independent expert) The Independent Expert opining that the Scheme is in the best interests of Shareholders;

- (no Andean Prescribed Event) no Andean or Goldcorp Prescribed Event occurring before the Second Court Date;
- (no Andean Material Adverse Change) no Andean Material Adverse Change occurring before the Second Court Date;
- (quotation) the New Goldcorp Shares being approved (subject to the normal conditions) for quotation on the TSX and NYSE;
- (deed poll) Goldcorp delivering the Goldcorp Deed Poll;
- (Andean warranties and representations) The representations and warranties made by Andean are true and correct in all material respects on the date of the Merger Implementation Agreement and on the Second Court Date;
- (Goldcorp warranties and representations) The representations and warranties made by Goldcorp are true and correct in all material respects on the date of the Merger Implementation Agreement and on the Second Court Date; and
- (no illegality) No action being taken under any applicable law or by any government or governmental or regulatory authority which makes the Scheme illegal or otherwise directly or indirectly restrains, enjoins or prohibits the implementation of the Merger.

3. Options and other securities

Goldcorp and Andean agree to use their best endeavours to procure that the Options are exercised, cancelled, acquired by Goldcorp or exchanged for Goldcorp Options.

After the First Court Date Andean will allow the vesting of any performance share rights granted under the ESOP (on such terms and conditions as the Andean Board may determine, after obtaining Goldcorp's consent), and issue Andean Shares to those holders by no later than the Record Date.

4. Conduct of business

Andean will conduct its business in the usual, regular and ordinary course. This obligation includes ensuring that the condition of Andean's assets and business are maintained, maintaining its mineral and property rights in force, preserving its relationships with customers, suppliers, and other third parties, consulting with Goldcorp in respect to any material decision regarding its business or operations or concerning the Cerro Negro Project and ensuring that there is no material decrease in the amount of Andean's cash.

Annexure D: Summary of Merger Implementation Agreement

5. Exclusivity

5.1 Non-solicitation

Andean agrees not to:

- make, solicit, initiate, facilitate, entertain, encourage or promote (including by way of furnishing information, permitting any visit to facilities or Andean properties or entering into any form of agreement, arrangement or understanding) any inquiries or proposals regarding, constituting or that may reasonably be expected to lead to an Acquisition Proposal or potential Acquisition Proposal; or
- participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any person any information or otherwise co-operate with, respond to, assist or participate in, any Acquisition Proposal or potential Acquisition Proposal; or
- remain neutral with respect to, or agree to, approve or recommend, or propose publicly to agree to, approve or recommend any Acquisition Proposal or potential Acquisition Proposal;
- make a Change in Andean Recommendation;
- accept or enter into any agreement, understanding or arrangement related to any Acquisition Proposal or potential Acquisition Proposal; or
- make any public announcement or take any other action inconsistent with the Merger.

This exclusivity provision does not restrict Andean or the Andean directors from:

- considering or negotiating any unsolicited Acquisition Proposal that may constitute a Superior Proposal;
- approving or recommending a Superior Proposal to Andean shareholders; or
- entering into an agreement in respect of a Superior Proposal;

subject to compliance with the terms of the Merger Implementation Agreement, as long as the Acquisition Proposal did not result from a breach of the exclusivity provisions of the Merger Implementation Agreement and the Andean directors determine in good faith after consulting with outside counsel (including written opinions or advice), that failure to take such action would be reasonably likely to constitute a breach of the fiduciary or statutory duties of the directors under applicable law, or would otherwise be a contravention of law.

5.2 Existing discussions

Andean and its officers, directors, employees, consultants, representatives and agents agree to enforce obligations under any existing confidentiality or standstill agreements and to cease any discussions or negotiations currently being conducted on behalf of Andean with any parties (other than Goldcorp) with respect to any Acquisition Proposal.

5.3 Notice of Acquisition Proposals

Andean agrees to promptly and in any event, within 24 hours of receiving:

- an Acquisition Proposal or any amendment to an Acquisition Proposal; or
- any request for non-public information relating to Andean in connection to any potential Acquisition Proposal,

to notify Goldcorp of the identity of the person making the Acquisition Proposal and all material terms and conditions of the Acquisition Proposal. If Andean receives a request for material non-public information from a person considering making an Acquisition Proposal and the directors of Andean consider that the Acquisition Proposal could be a Superior Proposal, Andean may, subject to compliance with the exclusivity provisions and execution of a confidentiality and standstill agreement with the person requesting information, provide that person with access to information regarding Andean. Any information provided to that person which has not been provided to Goldcorp, must be provided to Goldcorp.

5.4 Notice of Superior Proposals

Andean agrees not to make a Change in Andean Recommendation or accept, approve, recommend or enter into any agreement in respect of an Acquisition Proposal unless Andean:

- has complied with its obligations under the exclusivity provisions of the Merger Implementation Agreement;
- has provided Goldcorp with the required information about such Acquisition Proposal;
- has determined the Acquisition Proposal would be a Superior Proposal; and
- has provided Goldcorp with five Business Days' notice of the Acquisition Proposal.

Andean agrees not to enter into a Superior Proposal during the 5 Business Days after it gives notice of the proposal to Goldcorp. During this time Goldcorp will have the opportunity to submit an amended Merger Implementation Agreement on terms as favourable or more favourable than the Superior Proposal.

Annexure D: Summary of Merger Implementation Agreement

5.5 Scheme Meeting

If Andean has given Goldcorp notice of:

- a Superior Proposal and the Scheme Booklet has been sent to Shareholders before the end of the 5 Business Day period set out in section 5.4 above, Andean must take all reasonable steps necessary to hold the Scheme Meeting unless Goldcorp has agreed or the Court has ordered that the Scheme Meeting not proceed; and
- an Acquisition Proposal and the Acquisition Proposal has been publicly announced, Andean must, at Goldcorp's request, postpone or adjourn the Scheme Meeting. Goldcorp must make its request within the 5 Business Day period set out in section 5.4 above and the Scheme Meeting must not be postponed to a date that is more than 10 days after the scheduled date.

6. Break fee

A Break Fee is payable by Andean if a Triggering Event occurs, which includes:

- **(Change in Recommendation)** Goldcorp terminating the Merger Implementation Agreement because of a Change in Andean Recommendation except if the Change in Recommendation:
 - is due to a continuing Goldcorp Material Adverse Change; or
 - is made because the Independent Expert has opined that the Scheme is not in the best interests of Shareholders (other than as a result of an Acquisition Proposal);
- **(breach of exclusivity provisions)** Goldcorp validly terminating the Merger Implementation Agreement for a material breach by Andean of its exclusivity obligations;
- **(acquisition proposal)** an Acquisition Proposal is announced and not withdrawn before the Scheme meeting, Shareholders do not subsequently approve the Scheme, the Merger Implementation Agreement is terminated and an Acquisition Proposal completes within six months of termination of the Merger Implementation Agreement.
- **(definitive agreement for a Superior Proposal)** Andean validly terminating the Merger Implementation Agreement to enter into an agreement in relation to a Superior Proposal; or
- **(Andean Prescribed Event)** an Andean Prescribed Event occurring before the Second Court Date and Goldcorp validly terminating the Merger Implementation Agreement.

The break fee payable is an amount equal to 1% of the aggregate of the total consideration offered by Goldcorp to implement the Scheme.

7. Representations and warranties

Andean and Goldcorp have given representations and warranties as to information contained in the Scheme Booklet and compliance with disclosure and other obligations and certain other business representations and warranties.

8. Termination

The Merger Implementation Agreement may be terminated:

- **(agreement)** by either party on agreement between both parties;
- **(Change in Recommendation)** by Goldcorp if:
 - the Andean Directors withdraw their recommendation of the Scheme; or
 - Andean has approved or recommended an Acquisition Proposal; or
 - Andean has entered into a definitive agreement with respect to a Superior Proposal;
- **(superior proposal)** by Andean in order to enter a written agreement in respect to a Superior Proposal;
- **(material breach)** by either party, with notice, if the other is in material breach of the Merger Implementation Agreement which is not remedied within 10 business days;
- **(no shareholder approval)** by either party if the Scheme is not approved by Shareholders;
- **(end date)** by either party, if the Scheme has not become effective before 15 March 2011, unless the Scheme has not become effective due to a breach by such party of its obligations under the Merger Implementation Agreement;
- **(restraint)** by either party if a court or other regulatory authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Merger;
- **(insolvency)** by either party if the other party or any of its Related Bodies Corporate becomes insolvent;
- **(Andean Material Adverse Change)** an Andean Material Adverse Change occurs; or
- **(independent expert)** by either party following the receipt of the report of the Independent Expert where that report states that in the opinion of the Independent Expert the Scheme is not in the best interests of Shareholders.

Annexure E

Comparison of Australian and Canadian legal regimes



Annexure E: Comparison of Australian and Canadian legal regimes

Andean is a public company registered in Western Australia under Australian law. Andean is admitted to the official list of ASX and maintains a secondary listing on the TSX and is a reporting issuer in the Canadian provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

Goldcorp is incorporated under Ontario law. Goldcorp Shares are listed on the TSX and the NYSE. Goldcorp is a reporting issuer in all of the provinces and territories of Canada.

If the Scheme becomes Effective, the rights of Shareholders who receive New Goldcorp Shares will, in respect of those New Goldcorp Shares, be governed principally by Ontario laws and the federal law of Canada applicable in Ontario, the TSX Company Manual and Goldcorp's constating documents, articles of amalgamation and by-laws.

A comparison of some of the material provisions of Australian company law and Ontario corporate law as they relate to Andean and Goldcorp respectively is set out below, along with a description of certain securities laws and stock exchange rules where applicable.

Canadian corporate law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of Goldcorp, the relevant statute is the *Business Corporations Act* (Ontario) (**OBCA**). In addition, Goldcorp is also subject to *The Securities Act* (Ontario) and the securities legislation of each of the other Canadian provinces and territories.

References to 'Australian law' where they appear in this section are references to the Corporations Act, ASX Listing Rules, ASTC Settlement Rules and Australian common law, as applicable. References to 'Canadian law' are references to the OBCA, the TSX Company Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations and is intended as a general guide only. Shareholders should consult with their own legal adviser if they require further information.

Annexure E: Comparison of Australian and Canadian legal regimes

Rights attaching to shares

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Share capital	Under Australian law there is no concept of authorised capital or par value.	Under Goldcorp's articles, Goldcorp is authorised to issue an unlimited number of common shares. There is no concept of par-value under Ontario corporate law and all shares of Ontario corporations, once issued, are deemed to be fully paid and non-assessable.
Purchase of own shares	Under the Corporations Act, Andean may buy-back its shares under a specific buy-back scheme: • if the buy-back does not materially prejudice Andean's ability to pay its creditors; and • Andean follows the procedures set out in the Corporations Act. Share buy-backs that intend to buy-back more than 10% of the votes attaching to the smallest number of shares in the previous 12 months require approval by Andean's members by way of ordinary resolution. The form of Shareholder approval (e.g. ordinary resolution or special/unanimous resolution), if required, and the notice period and disclosure requirements to be given to Shareholders will depend on the type of buy-back. Generally, buy-back schemes can be characterised as minimum holding, equal access, selective, on-market or relating to employee shares schemes.	There are no restrictions in Goldcorp's constating documents regarding the purchase of Goldcorp Shares. The TSX Company Manual permits, subject to at least two clear trading days prior notice by an issuer, a normal course issuer bid to be conducted by an issuer for a period of up to one year. A variety of restrictions are imposed upon the issuer including limitations upon the size and price at which purchases can be conducted. Within 10 days of the end of any month in which normal course issuer bid purchases are made the issuer must report to the TSX on average prices and disposition of the securities that have been purchased. Under the OBCA, Goldcorp may repurchase its shares provided that, after doing so, it is able to pay its liabilities as they fall due and the realisable value of its assets exceed the aggregate of its liabilities and its stated capital. Under the Canadian Securities legislation, a repurchase of its shares by Goldcorp may constitute an "issuer bid" and could only be effected in accordance with the provisions of the Canadian Securities legislation.

Annexure E: Comparison of Australian and Canadian legal regimes

Rights attaching to shares (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Transfer of shares	Under Andean's constitution, the Andean Board may decline to register a transfer of shares where: - to register the transfer of shares would contravene the provisions of Australian laws; - Andean has a lien on those shares; - except if the transferees are the executors or trustees of a deceased Shareholder, the transferees are to be joint holders and are more than three in number; - the transfer would, if registered, create a new holding of Shares which is a Non-Marketable Parcel except if: - the transfer is made pursuant to the provisions of clauses 15 or 16 of Andean's Constitution; or - the transferee is the nominee company of a stockbroker who is recognised as an "odd lot" broker by ASX; or - the transfer is in respect of a share which is not fully paid and in respect of which there is any money due in respect of a call.	Under Goldcorp's by-laws, the board of directors of Goldcorp may decline to register a transfer of shares where: - to register the transfer would contravene the provisions of Canadian laws; - there has not been a presentation of a certificate representing such shares to be transferred with an endorsement which complies with Canadian laws, where that certificate has not been delivered to an appropriate person under Canadian laws, there has been no reasonable assurance that the endorsement is genuine and effective, there has been no payment of all taxes and applicable fees, and any lien has not been satisfied; or - there is a lien on the shares.
Voting rights	Under Andean's constitution, generally, each Shareholder has one vote on a show of hands and, on a poll, one vote for each share fully paid and if not fully paid, a fraction of a vote equivalent to the portion of the share paid up.	Under the OBCA, and Goldcorp's articles, each common share of Goldcorp entitles the holder to one vote at a meeting of shareholders. On a show of hands, each holder of shares in Goldcorp present in person or by proxy and entitled to vote has one vote. If a ballot is called, each holder of shares in Goldcorp present in person or by proxy will have one vote for each share in Goldcorp held. The OBCA and Goldcorp's by-laws provide that a ballot may be demanded by any shareholder or proxy holder entitled to vote at the meeting.

Annexure E: Comparison of Australian and Canadian legal regimes

Rights attaching to shares (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Dividends and distribution	Under Andean's constitution, the Andean Board may declare the distribution of a dividend to the Shareholders according to their respective rights and interests, determine the property to constitute the dividend and fix the time for its distribution. The Andean Board may also authorise the distribution to the Shareholder of an interim dividend. Under the Corporations Act, Andean must not pay a dividend unless: • Andean's assets exceed its liabilities immediately prior to the dividend declaration (and the excess is sufficient for the payment of the dividend); • the payment of the dividend is fair and reasonable to the Shareholders as a whole; and • the payment of the dividend does not materially prejudice Andean's ability to pay its creditors.	Under the OBCA, Goldcorp may pay a dividend by issuing fully paid shares or (subject to the following sentence) in money or property. Goldcorp may not declare or pay a dividend if there are reasonable grounds for believing that it is, or would after the payment be, unable to pay its liabilities as they become due, or if the realisable value of the its assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes.
Variation of class rights	Under Andean's constitution, the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the ASX Listing Rules, be varied with the consent in writing of members with at least 75% of the votes in the class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.	Under the OBCA, rights attaching to a class of shares may only be varied by an amendment to the articles of Goldcorp approved by special resolution of the holders of that class of shares.

Capital raising

Issue of shares	Under Andean's constitution, and without prejudice to any special rights conferred on the holders of any shares and subject to the ASX Listing Rules, the Andean Board is authorised to issue any share in the capital of Andean (on the terms and conditions and with the rights and privileges) as the Andean Board may from time to time determine.	Under the OBCA the board of directors of Goldcorp is authorised to issue any shares in the capital of Goldcorp. Under the OBCA, shares issued by Goldcorp are non-assessable and may only be issued if consideration for such shares is fully paid. Stated capital accounts must be maintained for each class of share. Upon the issuance of a share, Goldcorp may not add to the stated capital account in respect of the share an amount greater than the amount of the consideration it received for the share.

Annexure E: Comparison of Australian and Canadian legal regimes

Capital raising (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
ASX Listing Rules/ TSX listing rules (continued on next page)	Under the ASX Listing Rules, (subject to specified exceptions for pro rata issues etc), Andean is restricted from issuing or agreeing to issue more shares than the number calculated below in any 12 month period unless Andean has Shareholder approval, that is 15% of the total of: - the number of shares on issue 12 months before the date of the issue or agreement; plus - the number of shares issued in the 12 months before the date of the issue or agreement without Shareholder approval but pursuant to one of the specified exceptions; plus - the number of shares issued in the preceding 12 months with Shareholder approval; less - the number of partly paid shares that became fully-paid in the 12 months; plus - the number of shares cancelled in that 12 month period; less - the number of shares issued in the preceding 12 months without Shareholder approval and without the benefit of one of the specified exceptions. Under the ASX Listing Rules shares or options may be issued to the Directors with the approval of Shareholders. Andean is also subject to the TSX rules governing changes in capital structure as set out in the opposite column.	Under the TSX Company Manual, Goldcorp will require the approval of the TSX to issue securities other than unlisted non-voting, non-participating securities. The TSX may impose conditions on a transaction or grant exemptions from its own requirements. The TSX will consider various factors, including the involvement of insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interest of shareholders. The TSX will generally require shareholder approval of any transaction that materially affects control of the issuer or provides consideration to insiders that represents 10% or more of the issuer's market capitalisation (subject to certain conditions). For distributions of listed securities in reliance on a prospectus exemption (known as private placements), the TSX may require shareholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and the number of securities to be issued represents more than 25% of the number outstanding (on a non-diluted basis), shareholder approval will be required, while if the price is at or above market, shareholder approval will generally not be required regardless of the number of securities issued. If the issuance is to be less than or equal to 25% of the number outstanding, shareholder approval will not be required unless the price is below a permitted discount to market (which is 15% where the securities are trading above C\$2.00 each). TSX-listed issuers must obtain shareholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of the issuer (on a non-diluted basis), whether the target being acquired is a private company or a reporting issuer. In private placements to insiders and acquisitions involving issuances of listed securities to insiders, the TSX will require shareholder approval depending

Annexure E: Comparison of Australian and Canadian legal regimes

Capital raising (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
ASX Listing Rules/ TSX listing rules (continued)	(see previous page)	on the number of securities issued in relation to the number outstanding. Specifically, if insiders will be issued, by way of private placements during any six month period, or if insiders will receive, as consideration in an acquisition, securities representing more than 10% of the number of securities outstanding on a non-diluted basis, shareholder approval will be required and the insiders may not vote their securities. The TSX also requires shareholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury. The TSX prescribes specific disclosure requirements for the materials provided to shareholders for the purposes of such approval, including all material information that shareholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices may not be lower than market price the day prior to the date on which stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require shareholder approval. The TSX Company Manual permits capital raising via public offering or private placement with listing subject to approval by the TSX. Issuers are restricted from undertaking private placements beyond prescribed discounts from the market price (calculated as a 5 day volume weighted average price). If the price offered in a private placement is a discount to the market price, an issuer may not, absent shareholder approval, issue greater than 25% of the number of securities of the issuer which are outstanding on a non-diluted basis prior to closing of the transaction. Shareholder approval may also be required where trades are made to insiders of the issuer. Issuers may qualify for exemptions from the shareholder approval requirements in certain situations, including, financial distress of the issuer.

Annexure E: Comparison of Australian and Canadian legal regimes

Capital raising (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Continuous disclosure	Under the ASX Listing Rules, Andean is required to disclose to ASX any information concerning Andean that a reasonable person would expect to have a material effect on the price or the value of its shares (or options). Andean is also subject to the Canadian securities laws and TSX rules in relation to timely disclosure set out in the opposite column.	Canadian securities laws require the immediate disclosure by issuing and filing a news release of any material change occurring in the affairs of an issuer. As soon as practicable thereafter, and in any event within 10 days of the date on which the change occurs, an issuer must also file a material change report in the prescribed form. The TSX Company Manual also sets out timely disclosure requirements for listed issuers.

Directors

Number of directors	Under Andean's constitution, the number of directors must be not less than three nor more than ten. Under the Corporations Act at least two directors of Andean must reside in Australia.	Under the OBCA, at least 25% of the directors of Goldcorp must be resident Canadians. Goldcorp's articles set a minimum of three and a maximum of ten directors. Currently there are ten Goldcorp directors.
Directors' remuneration	Under the ASX Listing Rules and Andean's constitution, the fees of the Andean Directors: - may not in any period of 12 months starting at the end of a financial year of the Company (a "year") exceed in aggregate the amount last fixed for them by Ordinary Resolution (which, if the Company is Listed and to do so is prohibited by the Listing Rules, must be a fixed sum and may not in the case of Non-Executive Directors, be calculated as a commission on, or a percentage of profits or operating revenue); - are to be allocated to those Directors as determined by the Board (including those Directors), or, if there is no such determination in any year, equally between them; and - accrue from day to day.	Under the OBCA, the directors of Goldcorp may fix the remuneration of the directors, officers and employees of the corporation. Under the OBCA and applicable Canadian securities laws, a report on compensation is required to be included in the management proxy circular in connection with the annual meeting each year. Goldcorp's by-laws do not place any restrictions on the remuneration of Goldcorp's directors.
Powers of the board of directors	Under Andean's constitution, except as otherwise required by any other law or provisions of the constitution, the business of Andean is to be managed by the Andean Board, and the Andean Board may exercise each and every right, power or capacity of Andean, to the exclusion of the Shareholders.	Goldcorp's by-laws do not restrict the powers of the Goldcorp Board. Under the OBCA, the Goldcorp Board is to supervise the management of and the business and affairs of Goldcorp.

Annexure E: Comparison of Australian and Canadian legal regimes

Directors (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Transactions involving directors	Under the Corporations Act, Andean is prohibited from giving directors a financial benefit unless it obtains the approval of Shareholders or the financial benefit is exempt (such as benefits given on arms' length terms). Under the ASX Listing Rules, Andean is prohibited from acquiring a substantial asset from, or disposing of a substantial asset to, one of its directors unless it obtains the approval of Shareholders. Additionally, the ASX Listing Rules prohibit Andean from issuing shares to a director unless it obtains the approval of Shareholders or the share issue is exempt (such as pro rata issues to Shareholders). Under the Corporations Act, a director who has a material personal interest in a matter that relates to the affairs of a company must give the other directors notice of that interest. This has been confirmed in Andean's constitution. A director who has a material personal interest in a matter must not be present at a meeting where the matter is being considered or vote on the matter unless: - the interest did not need to be disclosed in certain prescribed circumstances; - the directors who do not have a material personal interest have passed a resolution that, amongst other things, the interest should not disqualify the director from voting or being present; or - ASIC approves. Directors of Andean, when entering into transactions with Andean, are subject to the common law and statutory duties to avoid conflicts of interest imposed by Australian law.	The OBCA requires directors and officers to disclose to Goldcorp the nature and extent of any interest that they may have in a material contract or transaction, whether made or proposed, with Goldcorp, if they: - are a party to the contract or transaction; or - have a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the corporation. Except as provided in the OBCA, no director having such an interest may vote on any resolution to approve such contract or transaction unless the contract or transaction: - relates primarily to his or her remuneration as a director of the corporation or an affiliate; - is for indemnity or insurance; or - is with an affiliate. A contract or transaction for which the above disclosure is required is not void or voidable, and the director or officer is not accountable to the corporation or its shareholders for any profit realised from the contract or transaction, by reason only of that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorised the contract or transaction, if: - the director or officer disclosed of the interest in accordance with the OBCA; and - the contract or transaction was reasonable and fair to the corporation when it was approved. Even if the above conditions are not met, a contract or transaction is not void or voidable and a director or officer is not accountable to the company or its shareholders for any profit realised from a contract or transaction that required disclosure if: - the director or officer was acting honestly and in good faith - the contract or transaction is approved or confirmed by special resolution of the shareholders at a meeting of the shareholders duly called for that purpose;

Annexure E: Comparison of Australian and Canadian legal regimes

Directors (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Transactions involving directors (continued)	(see previous page)	• after sufficient disclosure of the interest was made to shareholders in the notice calling the meeting or in the information circular required by the OBCA to indicate its nature; and • the contract or transaction was reasonable and fair to the company when approved or confirmed.
Removal of directors	Under the Corporations Act, the Shareholders may remove a director by passing a resolution to do so at a general meeting. A notice of intention to move the resolution must be given to Andean at least two months before the meeting is to be held. However, if Andean calls a meeting after the notice of intention is given, the meeting may pass the resolution even though the meeting is held less than two months after the notice of intention is given.	Under the OBCA, the shareholders of Goldcorp may, by ordinary resolution at an annual or special meeting, remove any director or directors from office.
Rotation of directors	Under the ASX Listing Rules, the directors of Andean, other than the managing director, are to retire by rotation. Under Andean's constitution, at every annual general meeting, one third of the directors (other than the managing director or alternate director) or, any director who, if that director did not retire at that annual general meeting, would at the next annual general meeting, have held that office for more than three years, must automatically retire from office. Such directors are entitled to be re-elected.	Goldcorp's by-laws provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board.
Retirement benefits	Under the Corporations Act, Andean is allowed to pay benefits to directors and officers on their retirement or termination. Such benefits require Shareholder approval in certain circumstances. Under the ASX Listing Rules, termination benefits to directors (that are or may be payable to all officers) must not exceed 5% of the equity interests of Andean as set out in its latest financial statements given to ASX. The 5% limit may however be exceeded with Shareholder approval.	There are no restrictions on the quantum of retirement benefits that Goldcorp may pay to its directors or officers in its by-laws.

Annexure E: Comparison of Australian and Canadian legal regimes

Directors (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Indemnification of directors and officeholders	Under the Corporations Act, indemnification of Andean's directors against specific liabilities is prohibited. These are liabilities: • owed to a company or a Related Body Corporate; • for a pecuniary penalty order or a compensation order; or • that are owed to someone other than a company or a Related Body Corporate and do not arise out of conduct in good faith. Additionally, under the Corporations Act an indemnity for legal costs in specific circumstances (such as where an officer is liable, found guilty or where the grounds for a court order have been made out) is prohibited. Payments by Andean of insurance premiums which cover conduct that involve a wilful breach of duty or a breach of certain statutory directors duties is also prohibited under the Corporations Act.	Goldcorp's by-laws provide that, subject to limitations contained in the OBCA, Goldcorp shall indemnify a director or officer, a former director or officer or another individual who acts or has acted at Goldcorp's request as a director or officer, or an individual who acts in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with Goldcorp or other entity if: • the individual acted honestly and in good faith with a view to the best interests of Goldcorp or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at Goldcorp's request; • in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable ground for believing that the individual's conduct was lawful; and • a court or other competent authority has not judged that the individual has committed any fault or omitted to do anything that the individual ought to have done. Goldcorp shall also indemnify such person in such circumstances as the OBCA permits or requires. Furthermore, under the OBCA, a corporation may indemnify a director or officer of the corporation, a former director or officer of the corporation or another individual who acts or acted at the corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the corporation or other entity. The OBCA and Goldcorp's by-laws authorise Goldcorp to purchase and maintain liability insurance for the benefit of the individuals described above against such liabilities and in such amounts as the board of Goldcorp may from time to time determine and are permitted by the OBCA.

Annexure E: Comparison of Australian and Canadian legal regimes

Directors (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Directors' liability	Under the Corporations Act, there is a general prohibition on Andean or a related body corporate exempting officers from liability.	Goldcorp's by-laws provide that, subject to any applicable statutory provisions, no director or officer shall be liable for: • the acts, receipts, neglects or defaults of any other director or officer or employee; • joining in any receipt or act for conformity; • any loss, damage or expense happening to Goldcorp through the insufficiency or deficiency of title to any property acquired by, for or on behalf of Goldcorp; • the insufficiency or deficiency of any security in or upon which any monies of or belonging to Goldcorp shall be placed out or invested; • any loss or damage arising from the bankruptcy, insolvency, or tortuous acts of any persons, firm or corporation including any person, firm or corporation with whom or which any monies, securities or other assets belonging to Goldcorp; or • any other loss, damage or misfortune whatever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same shall happen by or through his or her failure to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of Goldcorp and in connection therewith to exercise the degrees of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstance.

Annexure E: Comparison of Australian and Canadian legal regimes

Directors (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Directors' duties	Under Australian law, the directors of Andean have certain fiduciary obligations to Andean. These fiduciary obligations include: • a duty to act in good faith in the best interests of the company; • a duty to act for a proper purpose; • a duty not to fetter their discretion; • a duty to exercise reasonable care and diligence; • a duty to avoid conflicts of interest; • a duty not to use their position to their advantage; and • a duty not to misappropriate company property.	Under the OBCA, applicable Canadian securities laws and Canadian common law, every director and officer of Goldcorp, in exercising their powers and discharging their duties, must: • act honestly and in good faith with a view to the best interests of Goldcorp (commonly referred to as the 'duty of loyalty'); • act for a proper purpose; • not fetter their discretion; • exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care'); • avoid conflicts of interest; • not use their position to their advantage; and • not misappropriate company property.
Nomination of directors	Under the ASX Listing Rules, Andean is required to accept nominations for the election of its directors up to 35 days (30 days in the case of a meeting requested by Shareholders) before the date of a general meeting at which the directors are elected. Under Andean's constitution, the notice of the directors appointment must be given to Andean at least 30 days before the relevant general meeting.	Goldcorp's by-laws provide that the election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board.
Casual vacancies	Under Andean's constitution, the Andean Board is authorised to appoint a person to fill a casual vacancy, or as an addition to the Andean Board, so long as the number of directors does not exceed 10. Under the ASX Listing Rules, any such appointed director may hold office only until the next annual general meeting of Andean. They will then be eligible for election at that meeting but will not be taken into account in determining the number of directors who are to retire by rotation at that meeting.	Subject to the OBCA, a quorum of the board of Goldcorp may fill a vacancy in the board unless that vacancy is a result of an increase in the maximum number of directors or from a failure of the shareholders to elect the number of directors required.

Annexure E: Comparison of Australian and Canadian legal regimes

Directors (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Corporate governance	The structures of the Andean Board and Andean's corporate policies as a whole, must comply with the requirements of the ASX Listing Rules in relation to corporate governance. Andean is also subject to the Canadian corporate governance provisions set out in the opposite column.	National Instrument 58-101 of the Canadian Securities Administrators requires issuers to include information in relation to independence of directors, board mandates, position descriptions, corporate governance practices and committee mandates and functions as part of prescribed disclosure of an issuer's corporate governance practices in their management information circular. Audit committee composition and practices are subject to separate reporting requirements mandating publication in the issuer's management information circular.
Insider trading	Under the Corporations Act, any person who possesses price sensitive information relating to Andean or its securities is prohibited (subject to exceptions) from buying or selling those securities or procuring others do so, or from communicating the information to third parties. Andean is also subject to the Canadian insider trading restrictions set out in the opposite column.	Canadian securities laws prohibit trading with knowledge of a material fact or material change with respect to a reporting issuer that has not been generally disclosed. In addition, National Instrument 55-102 of the Canadian Securities Administrators establishes a mandatory system of electronic reporting of trading activity by certain insiders of each reporting issuer.

Members' meetings

Quorum of shareholders	Under Andean's constitution, the quorum for a general meeting of Shareholders is two Shareholders entitled to vote.	Goldcorp's by-laws provide that the presence of two persons present in person, each being a shareholder entitled to vote or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 33⅓% of the issued shares of Goldcorp with voting rights at such meeting will constitute quorum for the transaction of business at the meeting of shareholders.
AGM	Under the Corporations Act, the annual general meeting of Andean is required to be held at least once every calendar year and within five months after the end of each financial year (unless an extension is granted by ASIC). Andean is also subject to the Canadian securities requirements and TSX rules relating to annual general meetings set out in the opposite column.	Under the OBCA, the annual meeting of Goldcorp must be called by the directors not later than 15 months after holding the last preceding annual meeting. The TSX Company Manual mandates that each listed issuer must hold its annual meeting of shareholders within six months from the end of its fiscal year, or at such earlier time as is required by applicable law. An issuer may seek an exemption to hold a meeting at a later date.

Annexure E: Comparison of Australian and Canadian legal regimes

Members' meetings (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Notice of shareholders meetings	Under the Corporations Act, notice of a general meeting of Shareholders must be given to the Shareholders at least 21 days before the date of the meeting (unless Andean's constitution specifies a longer minimum period of notice). The notice of a meeting must specify the date, time and place of the meeting and state the general nature of the business to be transacted at the meeting. Under Andean's constitution, not less than 28 days notice of a general meeting must be given to Shareholders. Andean is also subject to the Canadian notification requirements set out in the opposite column.	Under the OBCA, notice of a general meeting of Goldcorp's shareholders must be given to the shareholders entitled to vote (and the directors and auditors) at least 21 days (but not more than 50 days) before the date of the meeting. The notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called. A notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgement thereon, as well as the text of any special resolution to be submitted to the meeting. Any business, other than the election of directors, reappointment of the incumbent auditor and consideration of the financial statements and auditor's report, is deemed to be special business. National Instrument 54-101 of the Canadian Securities Administrators requires a reporting issuer that is required to give notice of a meeting to fix a date for the meeting and, a record date for notice for the meeting which shall be no fewer than 30 and no more than 60 days before the meeting date, and, if required or permitted by corporate law, fix a record date for voting at the meeting. The reporting issuer is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.
Calling meetings	Under the Corporations Act, a general meeting of Shareholders may be called by individual directors, or by Shareholders holding at least 5% of the total votes that may be cast at the meeting, or at least 100 members who are entitled to vote. Additionally, under Andean's constitution, the Andean Board is given the power to convene a general meeting at any time.	Under the OBCA, the board of directors of Goldcorp may call a special meeting of shareholders at any time. The OBCA further provides that the holders of not less than 5% of the issued shares of a company that carry the right to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition.

Annexure E: Comparison of Australian and Canadian legal regimes

Members' meetings (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Shareholder proposed resolutions	Under the Corporations Act, Shareholders holding at least 5% of the votes that may be cast at a general meeting, or at least 100 Shareholders who are entitled to vote at the meeting may, by written notice to the company, propose a resolution for consideration at the next general meeting occurring more than two months' after the date of their notice.	The OBCA entitles a registered or beneficial holder of Goldcorp shares eligible to be voted at its annual shareholder meeting to submit to Goldcorp notice of any matter that the person proposes to raise at the meeting (Proposal) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. If Goldcorp receives notice of a Proposal and is soliciting proxies, it would then be required to set out the Proposal in its management proxy circular (and, if requested by the person submitting the Proposal, include or attach the Proposal and a statement in support of the Proposal not exceeding 500 words in the aggregate). However, a Proposal for the nomination for the election of directors is required to be signed by the holders of at least 5% of the outstanding Goldcorp shares entitled to vote at such meeting. The OBCA provides for exemptions from the requirements to include a proposal in a company's management proxy circular in circumstances including where: • the proposal is not submitted at least 60 days before the anniversary date of the last annual meeting, if the matter is proposed to be raised at an annual meeting, or at least 60 days before a meeting other than the annual meeting, if the matter is proposed to be raised at a meeting other than the annual meeting; • it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the company or its directors, officers or security holders; • it clearly appears that the proposal does not relate in a significant way to the business or affairs of the company; • substantially the same proposal failed to receive a certain amount of support at a prior meeting held not more than five years before the receipt of the proposal; or • not more than two years before the receipt of a proposal, the proponent failed to present a proposal at a prior meeting that had been included in the management proxy circular at the proponent's request.

Annexure E: Comparison of Australian and Canadian legal regimes

Members' meetings (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Passing resolutions at a general meeting	Under Australian law, a resolution at a general meeting of Shareholders is to be passed by a simple majority of votes cast by the Shareholders present and voting at the meeting.	Under the OBCA, a resolution at a general meeting of Goldcorp's shareholders is to be passed by a simple majority of votes cast by the shareholders entitled to vote on the resolution.
Special resolutions	Under the Corporations Act, a special resolution is to be passed by 75% of the votes cast by Shareholders present and voting on the resolution. Approval by special resolution of Shareholders is required for actions such as: • modifying or repealing a company's constitution; • changing a company's name or type; • selectively reducing or buying back capital (in some circumstances); • giving financial assistance in connection with the acquisition of shares in a company; and • undertaking a voluntary winding up of a company.	Under the OBCA, a special resolution must be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution. Approval by special resolution of the shareholders is required for such actions as: • amending a company's articles; • changing a company's name; • increasing or reducing stated capital, if the company's stated capital is stated in its articles; • undertaking a voluntary liquidation and dissolution; • amalgamating with another arm's length company; • continuing under the laws of another jurisdiction; and • undertaking the sale, lease or exchange of all or substantially all of the property of the company other than in the ordinary course of business.

Relationship between the company and its members

Derivative action and shareholder class action (continued on next page)	Under the Australian common law, Shareholders do not have the right to bring a common law action on behalf of Andean. Under the Corporations Act, a statutory derivative action may be instituted by a Shareholder, former Shareholder or person entitled to be registered as a Shareholder. In all cases, leave of the court is required. Such leave will be granted if: • it is probable that the company will not itself bring the proceedings or properly take responsibility for them; • the applicant is acting in good faith; • it is in the best interests of the company;	Under the OBCA, representative shareholder actions or derivative actions are available to Goldcorp shareholders and other 'complainants' (as defined under the OBCA to include shareholders, former shareholders, directors and officers, former directors and officers, the director appointed under the OBCA to carry out duties and exercise powers under the OBCA, and any other persons who, in the discretion of the court, are proper persons to bring an action).

Annexure E: Comparison of Australian and Canadian legal regimes

Relationship between the company and its members (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Derivative action and shareholder class action (continued)	- there is a serious question to be tried; and either: (i) at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying; or (ii) it is otherwise appropriate for the court to grant leave.	The OBCA, to a large extent, has supplemented the Canadian common law and equity rules on the availability of actions. In addition to allowing complainants to bring actions in the name and on behalf of Goldcorp or any of its subsidiaries, the statutory provisions of the OBCA also allow complainants to intervene in existing proceedings, either for prosecuting or defending it, or to bring about its discontinuation on behalf of the company. Whether seeking to bring an action or to intervene, certain substantive and procedural requirements must first be met, including the requirement that the court be satisfied that the complainant is acting in good faith and that it appears to be in the interests of the company or its subsidiary. To bring a derivative action, it is first necessary to obtain the leave of the court. The granting of leave is not automatic, but requires the court to exercise judicial discretion. The court may grant leave if: - the complainant has given notice to the directors of Goldcorp or its subsidiary of the complainant's intention to apply to the court not less than 14 days before bringing the application, or as otherwise ordered by the court, if the directors of Goldcorp or its subsidiary do not bring, diligently prosecute or defend or discontinue the action; - the complainant is acting in good faith; and - it appears to the court that it is in the interests of Goldcorp or its subsidiary for the legal proceeding to be brought, prosecuted, defended or discontinued. The court has broad powers to direct the conduct of any such legal proceeding.

Annexure E: Comparison of Australian and Canadian legal regimes

Relationship between the company and its members (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Relief from oppression	Under the Corporations Act, any Shareholder can bring an action in cases of conduct which is either contrary to the interests of Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any Shareholders in their capacity as a Shareholder, or themselves in a capacity other than as a Shareholder. Former Shareholders can also bring an action if it relates to the circumstances in which they ceased to be a Shareholder.	The OBCA provides that a Goldcorp shareholder or the Ontario Securities Commission, may apply to a court for an order directing an investigation to be made of Goldcorp and any of its affiliated corporations. For the court to make such an order of investigation, among other requirements, it must appear to the court that the business of Goldcorp or any of its affiliates has been carried on with intent to defraud a person or that powers of the directors were exercised in a manner that was oppressive or unfairly prejudicial to the interests of a shareholder. No person may publish anything relating to the application for investigation except with the authorisation of the court or the written consent of the corporation being investigated. In addition, a “complainant” (as that term is defined under the OBCA, which includes shareholders, former shareholders, directors and officers, former directors and officers, and any other persons who, in the discretion of the court, are proper persons to bring an action) who complains that: • any act or omission of Goldcorp or any of its affiliates effects or threatens to effect a result; • the business or affairs of Goldcorp or any of its affiliates have been or are threatened to be carried on or conducted in a manner; or • the power of the directors of Goldcorp or its affiliates have been or are threatened to be exercised in a manner; that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, may apply to the court for an order to rectify the matters complained of. This remedy is known as the “oppression remedy”. The powers of the court under the OBCA in making an order are broad: it may make any order it thinks fit, from a simple order amending a corporation’s by-laws to an order liquidating and dissolving the corporation.

Annexure E: Comparison of Australian and Canadian legal regimes

Relationship between the company and its members (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Inspection of books	Under the Corporations Act, a Shareholder must obtain a court order to obtain access to Andean's books and records.	Under the OBCA, a shareholder or creditor of Goldcorp, their agent or legal representative may examine the corporate records (including the securities register, articles and by-laws, minutes of meetings and resolutions of shareholders) at Goldcorp's registered office or such other place where such records are kept during Goldcorp's usual business hours and may take extracts from those records, free of charge. As Goldcorp is an "offering corporation" (as defined in the OBCA), any other person may examine Goldcorp's corporate records upon payment of a reasonable fee.

Takeovers

Takeovers
(continued on
next page)

Under the Corporations Act any acquisition by a person of a "relevant interest" in a "voting share" of Andean is restricted where, because of a transaction, that person or someone else's percentage "voting power" in Andean increases above 20% (or, where the person's voting power was already above 20% and below 90%, increases in any way at all).

There is an exception from these restrictions where the shares are acquired under takeover offers made under the Corporations Act to all Shareholders (which must be on the same terms for all Shareholders, subject to minor exceptions, and which must comply with the timetable and disclosure requirements of the Corporations Act).

There are also other exceptions from the 20% limit for acquisitions made through permitted gateways such as acquisitions with Shareholder approval or "creeping" by acquiring up to 3% every six months (if throughout the six months before the acquisition the person has had voting power in the company of at least 19%).

The purpose of these provisions is to attempt to ensure that Shareholders in the target company have a reasonable and equal opportunity to share in any premium for control and that they are given reasonable time and enough information to assess the merits of the proposal.

In Canada, takeover bids are regulated primarily by provincial and territorial securities legislation and related rules and, to a limited extent, the corporate statutes under which the target company is incorporated. Unless an exemption from the formal takeover bid requirements under securities legislation is available or can be obtained, persons or companies making an offer to acquire shares in a jurisdiction where the subject shares, together with the offeror's securities (including any securities held by joint offerors), constitute in aggregate 20% or more of the outstanding shares of the company at the time of the offer are required to extend the offer to all shareholders in the jurisdiction. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company. These provisions are applicable for shareholders whose address in the books of the corporation is in Canada.

Takeover bids must treat all shareholders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. Takeover bids must remain open for a minimum of 35 days from the date of the mailing of the circular, after which time all securities deposited under the offer may be taken up.

Annexure E: Comparison of Australian and Canadian legal regimes

Takeovers (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Takeovers (continued)	(see previous page)	For the protection of target shareholders, the takeover bid rules contain various additional requirements, such as restrictions applicable to conditional offers and the withdrawal, amendment or suspension of offers. Securities regulators also retain a general 'public interest jurisdiction' to regulate takeovers and may intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids. There are extensive disclosure requirements associated with takeover bids, beginning with 'early warning' disclosure required when an acquirer crosses the 10% ownership threshold. Generally, further disclosure is required for additional purchases of 2% or more of the outstanding security for which such early warning disclosure is required. Purchases outside the bid before, during and after the bid are also restricted. Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the OBCA and Multilateral Instrument 61-101 of the Canadian Securities Regulators. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities owned by minority shareholders during the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining a two-thirds majority approval. The acquirer is generally permitted to vote the shares acquired pursuant to the bid at such meeting. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements. Under Canadian law certain exemptions to the formal bid requirements, on specified conditions, are allowed. For example, private agreements to purchase securities from up to five persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class and the consideration paid does not exceed the market price at the date of acquisition.

Annexure E: Comparison of Australian and Canadian legal regimes

Takeovers (continued)

	Rights of holders of Andean Shares	Rights of holders of Goldcorp Shares
Winding up	Under Australian law, an insolvent company may be wound up by a liquidator appointed by either creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors. The Shareholders rank behind the creditors. Under Australian law, shareholders of a solvent company may decide to wind up the company if the directors are able to form the view that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting. Andean's constitution states that if Andean is wound up and there are insufficient assets for distribution, the amount distributed to each Shareholder in respect of each share is on a proportional basis determined by reference to the total paid up capital of Andean. Where there is a distribution of surplus assets, distribution is dependant on the respective rights of each class of shares held by each Shareholder. If Andean is wound up and a special resolution is passed authorising that it be done, the liquidator may distribute to the Shareholders all or any part of the assets to be distributed to them in specie.	Under the OBCA, a corporation will cease to exist if it is voluntarily dissolved, if it is wound up or if its certificate of incorporation is cancelled by the relevant official. The principal distinction between dissolution and winding-up is the identity of the person or persons who carry out the steps required to terminate a corporation's existence. A dissolution is handled by the existing managers of the corporation, whereas winding-up is generally managed by another person appointed solely for that purpose. Liquidation and dissolution may be proposed by a director or a shareholder entitled to vote at an annual meeting (ie voluntary liquidation) or by the court on the application of a shareholder, creditor or other person authorised under the legislation (ie involuntary or compulsory liquidation). A liquidation may begin as a voluntary, shareholder driven proceeding, but then be continued under court supervision upon the application of any interested person. The director under the OBCA may also dissolve a corporation under certain circumstances. In all cases, the corporation must be neither insolvent nor bankrupt to have its existence terminated under the OBCA. Liquidation of the corporation may also take place completely outside the framework of the OBCA. A corporation may also be liquidated under the provisions of the <i>Bankruptcy and Insolvency Act</i> (Canada), either by way of assignment into bankruptcy (voluntary) or on petition by a creditor (involuntary) or under the <i>Companies' Creditors Arrangement Act</i> (Canada). Finally, a corporation may be liquidated informally under contractual arrangement, usually by way of the private appointment of a receiver and manager. Under the OBCA, voluntary liquidation may be initiated or proposed by the directors or shareholders, but must be sanctioned by a special resolution of the shareholders. The corporation must settle its debts, obligations or liabilities prior to dissolution. Under the OBCA, dissolution by the court may be commenced by application of a shareholder if the court is satisfied that there has been conduct that is oppressive or unfairly prejudicial to the interests of shareholders, creditors, directors or officers or that it is just and equitable that the corporation should be liquidated and dissolved. A liquidator may be appointed by the court. Goldcorp's constating documents do not place any restriction on Goldcorp's winding up procedure.

Annexure F

Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates



Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

Ore Reserve/Mineral Reserve estimates

The following table sets out the estimated gold, silver and copper Ore Reserves/Mineral Reserves for the Red Lake Gold Mines, the Porcupine Mine, the Musselwhite Mine, the Marigold Mine, the Wharf Mine, the Dee/South Arturo Project, the Los Filos Mine, the El Sauzal Mine, the Peñasquito Project, the Alumbreira Mine, the Marlin Mine and the Pueblo Viejo Project as of 31 December 2009.

The following table does not include the Mineral Reserves for the El Morro Project, which was acquired after 31 December 2009.

The Mineral Reserves for the El Morro Project are set out in **section 7.5**. The following table also does not include the Mineral Reserves for the San Dimas Mine or the Escobal Project as these projects were sold by Goldcorp subsequent to 31 December 2009:

Table 1 – Proved/Proven and Probable Gold, Silver and Copper Ore/Mineral Reserves⁽¹⁾⁽¹⁵⁾

Category	Contained Metal		
	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Proved/Proven	20.89	683.8	1,012
Probable	27.00	547.85	216
Proved/Proven + Probable	47.89	1,231.65	1,228

Deposit/Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Grade		Contained Metal		
				Copper (%)		Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Red Lake Gold Mines ⁽²⁾								
Proven	1.34	26.94	–	–		1.16	–	–
Probable	7.10	9.87	–	–		2.25	–	–
Proven + Probable	8.44	12.58	–	–		3.42	–	–
Porcupine Mine ⁽³⁾								
Proven	30.75	1.42	–	–		1.41	–	–
Probable	26.88	1.60	–	–		1.38	–	–
Proven + Probable	57.63	1.50	–	–		2.79	–	–
Musselwhite Mine ⁽⁴⁾								
Proven	6.07	6.44	–	–		1.26	–	–
Probable	4.35	6.09	–	–		0.85	–	–
Proven + Probable	10.42	6.29	–	–		2.11	–	–
Marigold Mine ⁽⁵⁾ (Goldcorp's 66⅔% interest)								
Proven	28.12	0.62	–	–		0.56	–	–
Probable	62.59	0.52	–	–		1.05	–	–
Proven + Probable	90.72	0.55	–	–		1.61	–	–
Wharf Mine ⁽⁶⁾								
Proven	7.89	0.69	3.6	–		0.17	0.92	–
Probable	0.88	0.71	3.6	–		0.02	0.10	–
Proven + Probable	8.78	0.69	3.6	–		0.19	1.02	–

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

(continued)		Grade			Contained Metal		
Deposit /Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Dee/South Arturo Project⁽⁷⁾ (Goldcorp's 40% interest)							
Proven	–	–	–	–	–	–	–
Probable	14.31	1.86	9.0	–	0.86	4.12	–
Proven + Probable	14.31	1.86	9.0	–	0.86	4.12	–
Los Filos Mine⁽⁸⁾⁽⁹⁾							
Proven	50.16	0.99	6.4	–	1.60	10.03	–
Probable	172.12	0.74	5.6	–	4.08	26.64	–
Proven + Probable	222.28	0.79	5.8	–	5.67	36.67	–
El Sauzal Mine⁽¹⁰⁾							
Proven	3.04	1.58	–	–	0.15	–	–
Probable	2.77	1.97	–	–	0.18	–	–
Proven + Probable	5.81	1.77	–	–	0.33	–	–
Peñasquito Project⁽¹¹⁾ Mill							
Proven	580.58	0.62	33.1	–	11.49	618.02	–
Probable	564.19	0.33	23.0	–	5.93	417.58	–
Proven + Probable	1,144.76	0.47	28.1	–	17.42	1,035.60	–
Peñasquito Project⁽¹¹⁾ Heap Leach							
Proven	72.50	0.17	14.80	–	0.40	34.50	–
Probable	–	–	–	–	–	–	–
Proven + Probable	72.50	0.17	14.80	–	0.40	34.50	–
Alumbra Mine⁽¹²⁾ (Goldcorp's 37½% interest)							
Proved	116.25	0.40	–	0.39	1.50	–	1,000
Probable	3.75	0.29	–	0.32	0.03	–	26
Proven + Probable	120.00	0.39	–	0.39	1.53	–	1,026
Marlin Mine⁽¹³⁾							
Proven	3.46	5.8	224.7	–	0.64	16.75	–
Probable	9.99	4.44	329.9	–	1.43	46.27	–
Proven + Probable	13.45	4.8	293.4	–	2.07	63.02	–

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

(continued)

(continued)	Grade				Contained Metal		
Deposit/Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Pueblo Viejo Project ⁽¹⁴⁾ (Goldcorp's 40% interest)							
Proven	5.14	3.33	21.6	0.11	0.55	3.57	13
Probable	95.64	2.91	17.3	0.09	8.95	53.14	189
Proven + Probable	100.78	2.93	17.5	0.09	9.50	56.71	202
Total							
Proved/Proven					20.89	683.80	1,012
Probable					27.00	547.85	216
Proved/Proven + Probable					48.89	1,231.65	1,228

(1) All Mineral Reserves or Ore Reserves have been calculated in accordance with the CIM Standards or the JORC Code. The JORC Code has been accepted for current disclosure rules in Canada under NI 43-101. All Mineral Reserves and Ore Reserves have been reported as of 31 December 2009.

(2) The Mineral Reserves for the Red Lake Gold Mines set out in the table above have been estimated by Stephane Blais, P.Eng., Red Lake Gold Mines, who is a qualified person under NI 43-101 and a member of the Association of Professional Engineers of Ontario, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Stephane Blais has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Association of Professional Engineers of Ontario. Stephane Blais consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

(3) The Mineral Reserves for the Porcupine Mine set out in the table above have been estimated by Imola Gotz, who is a qualified person under NI 43-101 and a member of the Professional Engineers of Ontario, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Imola Gotz has sufficient experience in mineral exploration and/or mineral project assessment, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Professional Engineers of Ontario. Imola Gotz consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

(4) The Mineral Reserves for the Musselwhite Mine set out in the table above have been estimated by Tim Sanford, who is a qualified person under NI 43-101 and a member of the Association of Professional Engineers of Ontario, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Tim Sanford has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified

Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Association of Professional Engineers of Ontario. Tim Sanford consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

(5) The Mineral Reserves for the Marigold Mine set out in the table above have been estimated by Patty Maloney, who is a qualified person under NI 43-101 and a member of the American Institute of Mining, Metallurgical and Petroleum Engineers (AIME). The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Patty Maloney has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with AIME. Patty Maloney consents to the inclusion in this Scheme Booklet of the matters based on her information in the form and context in which it appears. Patty Maloney is a registered professional engineer in Montana, Wyoming and Idaho, and a member of AIME. AIME is not a Recognised Overseas Professional Organisation for the purposes of the JORC Code. The Marigold Mine is not a material mineral project of Goldcorp.

(6) The Mineral Reserves for the Wharf Mine set out in the table above have been estimated by Ken Nelson, who is a qualified person under NI 43-101 and a member of the Mining and Metallurgical Society of America, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Ken Nelson has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Mining and Metallurgical Society of America. Ken Nelson consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

- (7) The Mineral Reserves for the Dee/South Arturo Project set out in the table above have been estimated by Maryse Belanger, a qualified person under NI 43-101 who is a member of Association of Professional Geoscientists of Ontario, a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Maryse Belanger has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Association of Professional Geoscientists of Ontario. Maryse Belanger consents to the inclusion in this Scheme Booklet of the matters based on her information in the form and context in which it appears.
- (8) The grade and contained metal for silver is based on 48.45 million tonnes proven, 147.36 million tonnes probable, and 195.81 million tonnes proven and probable.
- (9) The Mineral Reserves for the Los Filos Mine set out in the table above have been estimated by Reynaldo Rivera, MAusIMM, Vice President, Exploration of Luismin, S.A. de C.V., who is a qualified person under NI 43-101. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Reynaldo Rivera has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with AusIMM. Reynaldo Rivera consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (10) The Mineral Reserves for the El Sauzal Mine set out in the table above have been estimated under the supervision of Steven Ristorcelli, who is a qualified person under NI 43-101 and a member of the American Institute of Professional Geologists, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Steven Ristorcelli has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the American Institute of Professional Geologists. Steven Ristorcelli consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (11) The Mineral Reserves for the Peñasquito Project set out in the table above have been estimated by Robert H. Bryson, MMSA, who is a qualified person under NI 43-101 and a member of the Mining and Metallurgical Society of America, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Robert H. Bryson has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Mining and Metallurgical Society of America. Robert H. Bryson consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (12) The Mineral Reserves for the Alumbra Mine set out in the table above have been estimated by Julio Bruna Novillo, AusIMM, who is a qualified person under NI 43-101. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. Julio Bruna Novillo has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with AusIMM. Julio Bruna Novillo consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (13) The Mineral Reserves for the Marlin Mine set out in the table above have been estimated by Andrew S. Tripp, P.Eng., Marlin Mine, who is a qualified person under NI 43-101 and a SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc., being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Andrew S. Tripp has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Society of Mining, Metallurgy and Exploration Inc.. Andrew S. Tripp consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- Some of the zones at the Marlin Mine do not contain silver, therefore the silver ore tonnage at the Marlin Mine is less than indicated in the above table. Silver tonnage should be as follows: Proven Mineral Reserve 2.3 million tonnes, Probable Mineral Reserve 4.4 million tonnes.
- (14) The Mineral Reserves for the Pueblo Viejo Project set out in the table above have been reviewed and confirmed by Herbert A. Smith, P.Eng., Principal Mining Engineer, AMC Mining Consultants (Canada) Ltd., who is a qualified person under NI 43-101 and a member of the Association of Professional Engineers and Geoscientists of British Columbia, the Association of Professional Engineers of Ontario and the Association of Professional Engineers, Geologists and Geophysicists of Alberta, all of which are Recognised Overseas Professional Organisations. The Mineral Reserves are classified as Proven and Probable, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Herbert A. Smith has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Association of Professional Engineers and Geoscientists of British Columbia, the Association of Professional Engineers of Ontario and the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Herbert A. Smith consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (15) Numbers may not add up due to rounding.

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

The following table sets out the estimated lead and zinc Mineral Reserves for the Peñasquito Project – Mill as of 31 December 2009:

Table 2 – Proven and Probable Lead and Zinc Mineral Reserves⁽¹⁾⁽²⁾⁽³⁾

Category	Tonnes (millions)	Lead (%)	Grade		Contained Metal	
			Zinc (%)	Lead (millions of pounds)	Zinc (millions of pounds)	
Proven	580.58	0.35	0.75	4,450	9,649	
Probable	564.19	0.22	0.50	2,761	6,281	
Proven + Probable	1,144.76	0.29	0.63	7,211	15,930	

(1) All Mineral Reserves have been calculated in accordance with the CIM Standards.

(2) The Mineral Reserves for the Peñasquito Project set out in the table above have been estimated by Robert H. Bryson, MMSA, who is a qualified person under NI 43-101 and a member of the Mining and Metallurgical Society of America, being a Recognised Overseas Professional Organisation. The Mineral Reserves are classified as proven and probable, and are based on the CIM Standards. Robert H. Bryson has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Mining and Metallurgical Society of America. Robert H. Bryson consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

(3) Numbers may not add up due to rounding.

Mineral Resource estimates

This section uses the terms “Measured”, “Indicated” and “Inferred” Resources. United States investors are advised that while such terms are recognised and required by Canadian or Australian standards or regulations, the United States Securities and Exchange Commission (SEC) does not recognise them. In particular, and without limiting the generality of this cautionary note, the term “resource” does not equate to the term “reserve”, and the term “reserve” and its use in this Scheme Booklet is not the same as the term “reserve” under SEC Industry Guide 7. As such, certain information in this Scheme Booklet concerning descriptions of mineralisation and resources under NI 43-101, CIM Standards and the JORC Code are not comparable to disclosures made by US reporting companies. “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 Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. **Under Canadian and Australian 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 or Inferred 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 Indicated or Inferred Mineral Resource exists, or is economically or legally mineable.**

Disclosure of “contained ounces” is permitted disclosure under Canadian and Australian regulations; however, the SEC normally only permits issuers to report mineralisation that does not constitute reserve as in place tonnage and grade without reference to unit measures.

The following table sets out the estimated gold, silver and copper Mineral Resources for the Red Lake Gold Mines, the Porcupine Mine, the Musselwhite Mine, the Marigold Mine, the Wharf Mine, the Éléonore Project, the Dee/South Arturo Project, the Los Filos Mine, the El Sauzal Mine, the Peñasquito Project, the Alumbrera Mine, the Marlin Mine, the Pueblo Viejo Project, the Cerro Blanco Project and the Noche Buena Project as of 31 December 2009.

The following table does not include the Mineral Resources for the El Morro Project, which was acquired after 31 December 2009. The Mineral Resources for the El Morro Project are set out in section 7.5. The following table also does not include the Mineral Reserves for the San Dimas Mine or the Escobal Project as these were sold by Goldcorp subsequent to 31 December 2009.

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

**Table 3 – Measured, Indicated and Inferred Gold, Silver and Copper Mineral Resources ⁽¹⁾⁽¹⁸⁾⁽¹⁹⁾
(excluding Proved/Proven and Probable Mineral Reserves)**

Deposit/Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Grade		Contained Metal		
				Copper (%)		Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Red Lake Gold Mines ⁽²⁾								
Measured	0.84	24.83	–	–		0.67	–	–
Indicated	3.17	13.57	–	–		1.38	–	–
Measured + Indicated	4.01	15.94	–	–		2.06	–	–
Inferred	3.46	19.39	–	–		2.16	–	–
Porcupine Mine ⁽³⁾								
Measured	33.15	1.44	–	–		1.54	–	–
Indicated	84.72	1.30	–	–		3.53	–	–
Measured + Indicated	117.87	1.34	–	–		5.07	–	–
Inferred	7.14	3.66	–	–		0.84	–	–
Musselwhite Mine ⁽⁴⁾								
Measured	0.17	3.84	–	–		0.02	–	–
Indicated	1.37	5.65	–	–		0.25	–	–
Measured + Indicated	1.54	5.45	–	–		0.27	–	–
Inferred	3.92	5.92	–	–		0.75	–	–
Marigold Mine ⁽⁵⁾ (Goldcorp's 66⅔% interest)								
Measured	–	–	–	–		–	–	–
Indicated	25.52	0.53	–	–		0.44	–	–
Measured + Indicated	25.52	0.53	–	–		0.44	–	–
Inferred	45.45	0.53	–	–		0.78	–	–
Wharf Mine ⁽⁶⁾								
Measured	6.71	0.90	6.0	–		0.19	1.31	–
Indicated	3.11	0.95	6.4	–		0.09	0.64	–
Measured + Indicated	9.82	0.91	6.2	–		0.29	1.94	–
Inferred	–	–	–	–		–	–	–
Éléonore Project ⁽⁷⁾								
Measured	–	–	–	–		–	–	–
Indicated	8.22	11.92	–	–		3.15	–	–
Measured + Indicated	8.22	11.92	–	–		3.15	–	–
Inferred	15.03	12.93	–	–		6.25	–	–

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

(continued)	Grade				Contained Metal		
Deposit/Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Dee/South Arturo Project ⁽⁸⁾ (Goldcorp's 40% interest)							
Measured	–	–	–	–	–	–	–
Indicated	2.04	1.64	7.1	–	0.11	0.46	–
Measured + Indicated	2.04	1.64	7.1	–	0.11	0.46	–
Inferred	0.94	0.67	3.8	–	0.02	0.11	–
Los Filos Mine ⁽⁹⁾⁽¹⁰⁾							
Measured	2.59	1.03	6.6	–	0.09	0.44	–
Indicated	43.26	0.95	5.8	–	1.32	5.34	–
Measured + Indicated	45.85	0.95	5.9	–	1.40	5.78	–
Inferred	151.25	0.87	6.1	–	4.23	15.47	–
El Sauzal Mine ⁽¹¹⁾							
Measured	1.01	1.01	–	–	0.03	–	–
Indicated	2.45	1.35	–	–	0.11	–	–
Measured + Indicated	3.46	1.25	–	–	0.14	–	–
Inferred	0.03	1.26	–	–	–	–	–
Peñasquito Project ⁽¹²⁾ Mill							
Measured	–	–	–	–	–	–	–
Indicated	471.52	0.29	25.7	–	4.42	388.87	–
Measured + Indicated	471.52	0.29	25.7	–	4.42	388.87	–
Inferred	146.98	0.25	17.3	–	1.19	81.60	–
Peñasquito Project ⁽¹²⁾ Heap Leach							
Measured	–	–	–	–	–	–	–
Indicated	7.75	0.13	8.6	–	0.03	2.14	–
Measured + Indicated	7.75	0.13	8.6	–	0.03	2.14	–
Inferred	–	–	–	–	–	–	–
Alumbrera Mine ⁽¹³⁾ (Goldcorp's 37½% interest)							
Measured	–	–	–	–	–	–	–
Indicated	2.25	0.24	–	0.29	0.02	–	14
Measured + Indicated	2.25	0.24	–	0.29	0.02	–	14
Inferred	–	–	–	–	–	–	–

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

(continued)		Grade			Contained Metal		
Deposit/Category	Tonnes (millions)	Gold (grams per tonne)	Silver (grams per tonne)	Copper (%)	Gold (millions of ounces)	Silver (millions of ounces)	Copper (millions of pounds)
Marlin Mine⁽¹⁴⁾							
Measured	0.33	1.32	89.3	–	0.01	0.85	–
Indicated	1.41	1.21	38.0	–	0.05	1.40	–
Measured + Indicated	1.73	1.23	47.6	–	0.07	2.25	–
Inferred	2.06	3.19	153.9	–	0.21	9.55	–
Pueblo Viejo Project⁽¹⁵⁾ (Goldcorp's 40% interest)							
Measured	1.28	2.00	30.8	0.10	0.08	1.27	3
Indicated	41.56	2.08	10.9	0.07	2.78	14.53	67
Measured + Indicated	42.84	2.07	11.5	0.07	2.86	15.79	70
Inferred	7.05	1.93	17.6	0.04	0.44	3.99	6
Cerro Blanco Project⁽¹⁶⁾							
Measured	–	–	–	–	–	–	–
Indicated	2.52	15.64	72.0	–	1.27	5.83	–
Measured + Indicated	2.52	15.64	72.0	–	1.27	5.83	–
Inferred	1.35	15.31	59.6	–	0.67	2.59	–
Noche Buena Project⁽¹⁷⁾							
Measured	–	–	–	–	–	–	–
Indicated	45.51	0.36	12.6	–	0.53	18.44	–
Measured + Indicated	45.51	0.36	12.6	–	0.53	18.44	–
Inferred	19.29	0.39	3.2	–	0.24	1.98	–
Total							
Measured					2.64	3.87	3
Indicated					19.47	437.64	81
Measured + Indicated					22.11	441.51	84
Inferred					17.76	115.30	6

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

- (1) All Mineral Resources have been calculated in accordance with the CIM Standards or the JORC Code. The JORC Code has been accepted for current disclosure rules in Canada under NI 43-101. All Mineral Resources have been reported as of 31 December 2009.
- (2) The Mineral Resources for Red Lake Gold Mines set out in the table above have been estimated by Chris Osiowy, P.Geo., Red Lake Gold Mines, who is a qualified person under NI 43-101 and a member of the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of Manitoba, which are both Recognised Overseas Professional Organisations. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Chris Osiowy has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of Manitoba. Chris Osiowy consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (3) The Mineral Resources for the Porcupine Mine set out in the table above have been estimated by Stephen Price, who is a qualified person under NI 43-101 and a member of the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of British Columbia, both of which are Recognised Overseas Professional Organisations. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Stephen Price has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Association of Professional Geoscientists of Ontario and the Association of Professional Engineers and Geoscientists of British Columbia. Stephen Price consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (4) The Mineral Resources for the Musselwhite Mine set out in the table above have been estimated by Rohan Millar, who is a qualified person under NI 43-101 and a member of Australian Institute of Geoscientists. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Rohan Millar has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Australian Institute of Geoscientists. Rohan Millar consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (5) The Mineral Resources for the Marigold Mine set out in the table above have been estimated by Patty Maloney, who is a qualified person under NI 43-101 and a member of the American Institute of Mining, Metallurgical and Petroleum Engineers (AIME). The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Patty Maloney has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with AIME. Patty Maloney consents to the inclusion in this Scheme Booklet of the matters based on her information in the form and context in which it appears. Patty Maloney is a registered professional engineer in Montana, Wyoming and Idaho, and a member of AIME. AIME is not a Recognised Overseas Professional Organisation for the purposes of the JORC Code. The Marigold Mine is not a material mineral project of Goldcorp.
- (6) The Mineral Resources for the Wharf Mine set out in the table above have been estimated by Ken Nelson, who is a qualified person under NI 43-101 and a member of the Mining and Metallurgical Society of America, being a Recognised Overseas Professional Organisation. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Ken Nelson has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Mining and Metallurgical Society of America. Ken Nelson consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (7) The Mineral Resources for the Éléonore Project set out in the table above have been estimated by Eric Chen, who is a qualified person under NI 43-101 and a member of the Association of Professional Engineers and Geoscientists of British Columbia, being a Recognised Overseas Professional Organisation. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Eric Chen has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Association of Professional Engineers and Geoscientists of British Columbia. Eric Chen consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (8) The Mineral Resources for the Deel/South Arturo Project set out in the table above have been estimated by Maryse Belanger, a qualified person under NI 43-101 and a member of the Association of Professional Geoscientists of Ontario, a Recognised Overseas Professional Organisation. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Maryse Belanger has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Association of Professional Geoscientists of Ontario. Maryse Belanger consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (9) The grade and contained metal for silver is based on 2.09 million tonnes measured, 28.55 million tonnes indicated, 30.64 million tonnes measured and indicated, and 78.45 million tonnes inferred.
- (10) The Mineral Resources for the Los Filos Mine set out in the table above have been estimated by Reynaldo Rivera, MAusIMM, Vice President, Exploration of Luismin, S.A. de C.V., who is a qualified person under NI 43-101. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Reynaldo Rivera has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with AusIMM. Reynaldo Rivera consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (11) The Mineral Resources for the El Sauzal Mine set out in the table above have been estimated by Steven Ristorcelli, who is a qualified person under NI 43-101 and a member of the American Institute of Professional Geologists, being a Recognised Overseas Professional Organisation. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Steven Ristorcelli has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the American Institute of Professional Geologists. Steven Ristorcelli consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

- (12) The Mineral Resources for the Peñasquito Project set out in the table above have been estimated by Fred H. Brown, who is a qualified person under NI 43-101, a member of the American Institute of Professional Geologists and a SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc., both of which are Recognised Overseas Professional Organisations. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Fred H. Brown has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the American Institute of Professional Geologists and the Society of Mining, Metallurgy and Exploration Inc.. Fred H. Brown consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (13) The Mineral Resources for the Alumbra Mine set out in the table above have been estimated by Julio Bruna Novillo, AusIMM, who is a qualified person under NI 43-101. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Julio Bruna Novillo has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with AusIMM. Julio Bruna Novillo consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (14) The Mineral Resources for the Marlin Mine set out in the table above have been estimated by Andrew S. Tripp, PEng., Marlin Mine, who is a qualified person under NI 43-101 and a SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc., being a Recognised Overseas Professional Organisation. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Andrew S. Tripp has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with the Society of Mining, Metallurgy and Exploration Inc. Andrew S. Tripp consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- Some of the zones at the Marlin Mine do not contain silver, therefore the silver ore tonnage at the Marlin Mine is less than indicated in the above table. Silver tonnage should be as follows: Measured Mineral Resource 0.1 million tonnes, Indicated Mineral Resource 0.4 million tonnes, and Inferred Mineral Resource 1.2 million tonnes.
- (15) The Mineral Resources for the Pueblo Viejo Project set out in the table above have been reviewed and confirmed by Patrick Stephenson, FAusIMM, AMC Mining Consultants (Canada) Ltd., who is a qualified person under NI 43-101 and a member of the Association of Professional Engineers and Geoscientists of British Columbia, being a Recognised Overseas Professional Organisation. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Patrick Stephenson has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Reserves, and is in good standing with AusIMM and the Association of Professional Engineers and Geoscientists of British Columbia. Patrick Stephenson consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (16) The Mineral Resources for the Cerro Blanco Project set out in the table above have been estimated by Maryse Belanger, who is a qualified person under NI 43-101 and a member of the Association of Professional Geoscientists of Ontario, being a Recognised Overseas Professional Organisation. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Maryse Belanger has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Association of Professional Geoscientists of Ontario. Maryse Belanger consents to the inclusion in this Scheme Booklet of the matters based on her information in the form and context in which it appears.
- (17) The Mineral Resources for the Noche Buena Project set out in the table above have been estimated by Mort Shannon, who is a qualified person under NI 43-101 and a member of the Association of Professional Engineers and Geoscientists of British Columbia and the Association of Professional Geoscientists of Ontario, which are both Recognised Overseas Professional Organisations. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. Mort Shannon has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the Association of Professional Engineers and Geoscientists of British Columbia and the Association of Professional Geoscientists of Ontario. Mort Shannon consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.
- (18) Mineral Resources are not known with the same degree of certainty as Mineral Reserves and do not have demonstrated economic viability. Inferred Mineral Resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assured that all or part of the Inferred Mineral Resources will ever be upgraded to a higher category.
- (19) Numbers may not add up due to rounding.

Annexure F: Schedule of Ore Reserve/Mineral Reserve and Mineral Resource Estimates

The following table sets out the estimated lead and zinc Mineral Resources for the Peñasquito Project and the San Nicolas Project as of 31 December 2009:

**Table 4 – Measured, Indicated and Inferred Lead and Zinc Mineral Resources⁽¹⁾⁽³⁾
(excluding Proven and Probable Mineral Reserves)**

Deposit/Category	Tonnes (millions)	Lead (%)	Grade		Contained Metal	
			Zinc (%)	Lead (millions of pounds)	Zinc (millions of pounds)	Lead (millions of pounds)
Peñasquito Project ⁽²⁾						
Mill						
Measured	471.52	0.26	0.87	2,738	9,082	
Indicated	—	—	—	—	—	—
Measured + Indicated	471.52	0.26	0.87	2,738	9,082	
Inferred	146.98	0.24	0.50	790	1,619	

(1) All Mineral Resources have been calculated in accordance with the CIM Standards.

(2) The Mineral Resources for the Peñasquito Project set out in the table above have been estimated by Fred H. Brown, who is a qualified person under NI 43-101 and a member of the American Institute of Professional Geologists and a SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc., both of which are Recognised Overseas Professional Organisations. The Mineral Resources are classified as Measured, Indicated and Inferred, and are based on the CIM Standards. See sections 7.5 and 11.29(b) of this Scheme Booklet for further details. Fred H. Brown has sufficient experience in mineral exploration and/or mineral project assessment to qualify as a Qualified Person, has experience relevant to the subject matter of the mineral project and on Mineral Resources, and is in good standing with the American Institute of Professional Geologists and the Society of Mining, Metallurgy and Exploration Inc. Robert H. Bryson consents to the inclusion in this Scheme Booklet of the matters based on his information in the form and context in which it appears.

(3) Numbers may not add up due to rounding.

Annexure G

Scheme of Arrangement



Annexure G: Scheme of Arrangement

Scheme of arrangement

pursuant to section 411 of the Corporations Act

between

Andean Resources Limited ABN 66 064 494 319 ("**Target**")

and

Each person registered as a holder of fully paid ordinary shares in the Target as at the Record Date

1. Definitions and interpretation

1.1 Definitions

In this Scheme:

Aggregate Cash Consideration means the aggregate Cash Consideration payable to Scheme Participants in accordance with this Scheme.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as appropriate.

Business Day means a business day as defined in the Listing Rules.

Cash Consideration means C\$6.50 for each Scheme Share.

Corporations Act means the Corporations Act 2001 (Cwlth).

Court means a court of competent jurisdiction under the Corporations Act.

Deed Poll means the deed poll dated 6 October 2010 executed by Goldcorp in favour of the Scheme Participants.

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Election means in respect of a Scheme Participant, an election (or deemed election) to receive the Scheme Consideration as Cash Consideration, Share Consideration, or a combination of both in accordance with clause 4.2.

Election Form means an election form for the purposes of the Target Shareholders making an election under clause 4.2.

Election Time means the Record Date, or such other time as Goldcorp and Target agree in writing.

Eligible Holder means a beneficial owner of Scheme Shares immediately prior to the Effective Date who is:

- (a) a resident of Canada for purposes of the Tax Act (other than a Tax Exempt person); or
- (b) a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a Tax Exempt person).

Encumbrance includes mortgage, lien, charge, pledge, assignment by way of security, security interest and interests of third parties of any kind whether legal or otherwise.

End Date means 15 March 2011 or such other date as is agreed by Goldcorp and the Target.

Goldcorp means Goldcorp Inc of Park Place, Suite 3400–666 Burrard Street, Vancouver, British Columbia, V6C 2X8 Canada.

Goldcorp Constitution means the articles or by-laws or other constituent documents of Goldcorp.

Implementation Date means the fifth Business Day following the Record Date or such other date as the Target and Goldcorp agree with consent of ASX if necessary.

Ineligible Foreign Shareholder means a Target Shareholder:

- (a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of:

- (i) Australia and its external territories;
- (ii) the United States of America;
- (iii) Canada; or
- (iv) New Zealand; or

- (b) whose address shown in the Register is a place outside:

- (i) Australia and its external territories;
- (ii) the United States of America;
- (iii) Canada; or
- (iv) New Zealand,

or who is acting on behalf of such a person,

unless Goldcorp determines that:

- (c) it is lawful and not unduly onerous or unduly impracticable to issue that Target Shareholder with New Goldcorp Shares pursuant to the Scheme; and
- (d) it is lawful for that Target Shareholder to participate in the Scheme by the law of the relevant place.

Listing Rules means the Listing Rules of ASX.

Maximum Cash Consideration means C\$1,000,000,000.

Merger Implementation Agreement means the merger implementation agreement dated 3 September 2010 between the Target and Goldcorp.

Annexure G: Scheme of Arrangement

New Goldcorp Share means a common share in the capital of Goldcorp to be issued under the Scheme.

NYSE means the New York Stock Exchange.

Nominee means a nominee appointed by Goldcorp in accordance with clause 4.6 of the Merger Implementation Agreement.

Option means an option to acquire a Target Share.

Record Date means 7.00pm the fifth Business Day following the Effective Date or such other date as the Target and Goldcorp agree with consent of ASX if necessary.

Register means the register of shareholders maintained by the Target in accordance with the Corporations Act.

Registered Address means, in relation to a Scheme Participant, the address shown in the Register.

Regulatory Authority includes:

- (a) ASX;
- (b) ASIC;
- (c) the TSX;
- (d) the Ontario Securities Commission;
- (e) a government or governmental, semi-governmental or judicial entity or authority;
- (f) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government;
- (g) the Commissioner of Competition under the Competition Act (Canada);
- (h) the National Commission for the Defence of Competition (CNDC) of Argentina;
- (i) any regulatory organisation established under statute, including the Argentine Competition Act; and
- (j) the United States Securities and Exchange Commission.

Scheme means this scheme of arrangement together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.

Scheme Consideration means, in respect of each Scheme Share, Cash Consideration or Share Consideration.

Scheme Meeting means the meeting to be convened by the Court at which the Target Shareholders will vote on the Scheme.

Scheme Order means the order of the Court under section 411(4)(b) of the Corporations Act approving the Scheme.

Scheme Participant means each person who is a Target Shareholder as at the Record Date.

Scheme Share means a Target Share held by a Scheme Participant.

Second Court Date means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme.

Share Consideration means 0.14 of a New Goldcorp Share for each Scheme Share.

Tax Act means the Income Tax Act (Canada) and the regulations thereunder, as amended from time to time.

Tax Exempt person means a person who is exempt from tax under Part I of the Tax Act.

Target Share means an ordinary fully paid share in the capital of the Target.

Target Shareholder means each person registered in the Register as a holder of the Target Shares.

TSX means the Toronto Stock Exchange.

1.2 Reference to certain general terms

Unless the contrary intention appears, a reference in this Scheme to:

- (a) **(variations or replacement)** a document (including this agreement) includes any variation or replacement of it;
- (b) **(clauses, annexures and schedules)** a clause, annexure or schedule is a reference to a clause in or annexure or schedule to this agreement;
- (c) **(reference to statutes)** a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (d) **(law)** law means common law, principles of equity, and laws made by parliament (and laws made by parliament include State, Territory and Commonwealth laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);
- (e) **(singular includes plural)** the singular includes the plural and vice versa;
- (f) **(person)** the word "person" includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, or any Regulatory Authority;

Annexure G: Scheme of Arrangement

- (g) **(executors, administrators, successors)** a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (h) **(Australian dollars)** Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (i) **(Canadian dollars)** Canadian dollars or C\$ is a reference to the lawful currency of Canada;
- (j) **(calculation of time)** a period of time dating from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (k) **(reference to a day)** a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (l) **(meaning not limited)** the words "include", "including", "for example" or "such as" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind; and
- (m) **(time of day)** time is a reference to Sydney, New South Wales time.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this Scheme.

2. Preliminary

2.1 Target

- (a) The Target is a public company incorporated in Australia and registered in Western Australia and is a company limited by shares.
- (b) The Target is admitted to the official list of the ASX and the TSX and the Target Shares are officially quoted on the respective stock markets conducted by ASX and TSX.
- (c) As at **1 November 2010** the Target's only issued securities are:
 - (i) 548,450,367 Target Shares; and
 - (ii) 3,223,440 Options, which are not quoted on any stock exchange.

As at 1 November 2010, other than as set out below, the Target is under no obligation to issue further Target Shares before the Implementation Date:

- (d) 2,550,000 Target Shares to be issued to three Target employees and consultants if the Options are exercised; and
- (e) approximately 422,221 Target Shares which are intended to be issued in relation to vested but unissued Target Shares which have been granted to 17 Target employees and consultants.

2.2 Goldcorp

Goldcorp is a public company incorporated in the Province of Ontario, Canada and is a corporation. Its shares are officially quoted on the TSX and the New York Stock Exchange.

2.3 Merger Implementation Agreement

The Target and Goldcorp have entered into the Merger Implementation Agreement under which, among other things:

- (a) the Target agreed to propose the Scheme to Target Shareholders; and
- (b) the Target and Goldcorp agreed to implement the Scheme on the terms of the Merger Implementation Agreement.

2.4 Deed Poll

Goldcorp has executed the Deed Poll by which it has covenanted to the Scheme Participants to undertake the acts attributed to it in this Scheme, including to provide the Scheme Consideration.

3. Conditions to this Scheme

3.1 Conditions precedent

The conditions precedent to this Scheme are:

- (a) neither the Merger Implementation Agreement or Deed Poll is terminated before the Court makes the Scheme Order;
- (b) all the conditions precedent in schedule 3 of the Merger Implementation Agreement having been satisfied or waived (other than the condition precedent in item 1(b) which cannot be waived) in accordance with the terms of the Merger Implementation Agreement by the time set out in the Merger Implementation Agreement; and
- (c) the Scheme Order is lodged with ASIC.

Annexure G: Scheme of Arrangement

3.2 Conditions precedent and operation of clause 4

The satisfaction or waiver in accordance with the Merger Implementation Agreement of each condition in clause 3.1 (other than the condition in clause 3.1(c)) at the same time as, or before, the Court making the Scheme Order is a condition precedent to this Scheme taking effect.

3.3 Certificate

The Target and Goldcorp must provide to the Court on the Second Court Date a certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not the conditions precedent to this Scheme in clause 3.1 (other than the condition precedent in item 4 of schedule 3 to the Merger Implementation Agreement and clause 3.1(c)) are satisfied or waived. In the absence of manifest error, the certificate provides conclusive evidence that those conditions precedent have been satisfied.

3.4 Effective Date

Subject to clause 3.5, this Scheme takes effect for all purposes on the Effective Date.

3.5 End Date

The Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the End Date.

4. Implementation of the Scheme

4.1 Transfer and registration of the Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration in accordance with clause 4.3, the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, must be transferred to Goldcorp without the need for any further act by any Scheme Participant (other than acts performed by the Target as attorney and agent for Scheme Participants under clause 6.3) by:

- (a) the Target delivering to Goldcorp duly completed and executed share transfer forms (or a master share transfer form) to transfer all of the Scheme Shares to Goldcorp;
- (b) Goldcorp duly executing the share transfer forms (or a master share transfer form) to transfer all of the Scheme Shares to Goldcorp and delivering it to the Target for registration; and
- (c) immediately after receipt of the duly executed share transfer forms (or a master share transfer form) in respect of the Scheme Shares, the Target entering the name of Goldcorp in the Register in respect of all Scheme Shares.

4.2 Election

- (a) Subject to adjustments under clause 4.6, each Target Shareholder is entitled to elect the proportion of the Scheme Shares holding in respect of which that Target Shareholder wishes to receive Cash Consideration or Share Consideration by completing the Election Form and returning it to the address specified in the Election Form so that it is received by the Election Time.
- (b) An election under clause 4.2(a) must be made in accordance with the terms and conditions on the Election Form.
- (c) If a valid election is not made by a Target Shareholder prior to the Election Time, then that Target Shareholder will be deemed to have elected to receive the Share Consideration in respect of all of its Target Shares.
- (d) An election which is not made or deemed to have been made in accordance with this clause 4.2 will not be a valid election for the purpose of this Scheme and will not be recognised by the Target and Goldcorp for any purpose.
- (e) The Target may, with the agreement of Goldcorp, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any election, and any such decision will be conclusive and binding on the Target, Goldcorp and the relevant Target Shareholder.

4.3 Consideration under this Scheme

On the Implementation Date, in consideration for the transfer of the Scheme Shares to Goldcorp, subject to clauses 4.7, 4.8 and 4.11, Goldcorp must provide Cash Consideration or Share Consideration (at the election of the Scheme Participant in accordance with clause 4.2 and subject to adjustments under clause 4.6) to each Scheme Participant in respect of their Scheme Shares.

4.4 Satisfaction of obligation to pay Cash Consideration

The obligation of Goldcorp to provide Cash Consideration pursuant to clause 4.3 will be satisfied by:

- (a) before 11.00am on the Implementation Date, Goldcorp depositing an amount equal to the Aggregate Cash Consideration, in cleared funds in one or more trust accounts opened and operated by the Target (or on its behalf) for that purpose, to be held on trust for the Scheme Participants, except that any interest on the amount deposited (less bank fees) shall be to Goldcorp's account; and

Annexure G: Scheme of Arrangement

(b) on the Implementation Date, (subject to Goldcorp having complied with clause 4.4(a)) the Target sending to each Scheme Participant by pre-paid airmail post at their Registered Address a cheque drawn on a bank considered appropriate by the Target for Cash Consideration payable to that Scheme Participant in accordance with this Scheme. The cheques sent by the Target under this clause may be drawn, at the discretion of the Target in Canadian dollars, in Australian dollars or in the local currency of the country in which the relevant Scheme Participant's Registered Address appeared on the Register. The Target is authorised to effect any conversion of the Cash Consideration in such manner as it deems appropriate (acting reasonably) and to deduct any costs, charges or expenses associated with such conversion from the amount paid to the relevant Scheme Participant. The Target and Goldcorp must deduct and withhold from consideration, dividend or other distributions otherwise payable to any holder of Scheme Shares or Goldcorp Shares or any other amount payable to any person as a consequence of this Scheme, such amounts as Goldcorp or the Target determines, acting reasonably, are required be deducted and withheld with respect to such payment under any applicable law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes under this agreement as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing agency.

4.5 Satisfaction of obligation to provide Share Consideration

Subject to clause 4.7, the obligation of Goldcorp to provide the Share Consideration pursuant to clause 4.3 will be satisfied by Goldcorp:

- (a) on the Implementation Date, entering the name of each Scheme Participant who is entitled to receive Share Consideration under this Scheme on the register of members of Goldcorp in respect of those New Goldcorp Shares comprised in the Scheme Consideration to be provided to Scheme Participants in accordance with this Scheme; and
- (b) as soon as practicable after the Implementation Date, sending to each Scheme Participant who has been registered as a holder of the New Goldcorp Shares in accordance with this Scheme by pre-paid airmail post to each to their Registered Address a share certificate or holding statement (or equivalent document) for those New Goldcorp Shares.

4.6 Adjustment of Scheme Consideration

- (a) Nothing in this Scheme requires Goldcorp to pay to the Scheme Participants, in aggregate, more than the Maximum Cash Consideration.
- (b) If the aggregate number of the Scheme Shares in respect of which all of the Scheme Participants validly elected to receive Cash Consideration when multiplied by the Cash Consideration exceeds the Maximum Cash Consideration, each Scheme Participant:
 - (i) will only be entitled to receive Cash Consideration in respect of that number of Scheme Shares ("SS") as calculated in accordance with the following formula (rounded down to the nearest whole number):

$$SS = A \times \frac{\text{Maximum Cash Consideration}}{B}$$

where:

"A" means the number of the Scheme Shares in respect of which a Scheme Participant validly elected to receive Cash Consideration; and

"B" means the aggregate number of the Scheme Shares in respect of which all of the Scheme Participants validly elected to receive Cash Consideration multiplied by the Cash Consideration; and

- (ii) will be entitled to receive Share Consideration for the balance of their Scheme Shares.

4.7 Ineligible Foreign Shareholders

- (a) Goldcorp is under no obligation to issue and allot New Goldcorp Shares comprising the Scheme Consideration to any Ineligible Foreign Shareholder.
- (b) In the case of each Ineligible Foreign Shareholder, Goldcorp must issue and allot the New Goldcorp Shares to which the Scheme Participant would have been entitled (were they not an Ineligible Foreign Shareholder) to the Nominee, and procure that the Nominee:
 - (i) as soon as practicable (and in any event within 20 Business Days after the Implementation Date) in the ordinary course of trading on the TSX, sells those New Goldcorp Shares; and
 - (ii) pay, subject to clause 4.10, to each of the Ineligible Foreign Shareholders an amount equal to the average net proceeds of sale rounded down to the nearest cent (after deduction of any applicable brokerage, taxes and charges) of all New Goldcorp Shares sold under this clause multiplied by the number of New Goldcorp Shares to which that Ineligible Foreign Shareholder would have been entitled but for clause 4.7(a).

Annexure G: Scheme of Arrangement

- (c) Payment under clause 4.7(b) is to be made by the Nominee by sending to each Ineligible Foreign Shareholders by pre-paid airmail post at their Registered Address a cheque drawn on a bank considered appropriate by the Nominee, at the discretion of the Target in Canadian dollars, in Australian dollars or in the local currency of the country in which the relevant Ineligible Foreign Shareholder's Registered Address appeared on the Register. The Nominee is authorised to effect any conversion of the proceeds of sale in such manner as it deems appropriate (acting reasonably) and to deduct any costs, charges or expenses associated with such conversion from the amount paid to the relevant Ineligible Foreign Shareholders.
- (d) Payments to Ineligible Foreign Shareholders under this clause 4.7 will be in full satisfaction of the Ineligible Foreign Shareholder's right to receive New Goldcorp Shares under clause 4.3.

4.8 Fractional entitlements

- (a) If the number of the Scheme Shares held by a Scheme Participant is such that the aggregate entitlement of that Scheme Participant to New Goldcorp Shares is not a whole number, then the entitlement in each case must be rounded up or down to the nearest whole number, with fractions of 0.5 being rounded up.
- (b) If the Target considers that a Target shareholding may have been split up to result in an increased number of fractional entitlements and therefore an increased number of New Goldcorp Shares or an aggregate amount of Cash Consideration, the Target must provide the relevant details of the relevant shareholdings to Goldcorp and Goldcorp may aggregate the relevant shareholdings for the purpose of determining the entitlement and pay the additional Cash Consideration or issue the additional New Goldcorp Share to whichever Scheme Participant it considers appropriate.

4.9 New Goldcorp Shares to rank equally

New Goldcorp Shares will:

- (a) rank equally in all respect with all then issued and outstanding common shares in Goldcorp;
- (b) be duly and validly issued; and
- (c) be fully paid.

4.10 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to the Scheme Participants by Goldcorp, the Target or the Nominee must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date; and
- (b) share certificates or holding statements (or equivalent documents) for New Goldcorp Shares must be issued in the names of the joint holders and sent to the holder whose name appears first in the Register as at the Record Date.

4.11 Payment of Scheme Consideration to related bodies corporate

Nothing in this Scheme requires Goldcorp to provide Scheme Consideration to a Scheme Participant that is Goldcorp, a related body corporate of Goldcorp, or a person who holds Scheme Shares on behalf of or for the benefit of Goldcorp or related body corporate of Goldcorp.

5. Dealings in Scheme Shares

5.1 Entitlement to participate

Every Target Shareholder entered on the Register as a holder of a Target Share is entitled to participate in this Scheme.

5.2 Recognised dealings

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised if:

- (a) in the case of dealings of the type to be effected using CHES, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

5.3 Register

- (a) The Target must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 5.2(b) on or before the Record Date.
- (b) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date.

Annexure G: Scheme of Arrangement

- (c) The Target must not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to Goldcorp pursuant to this Scheme and any subsequent transfer by Goldcorp or its successors in title).
- (d) For the purpose of determining entitlements to the Scheme Consideration, the Target must maintain the Register in accordance with the provisions of this clause 5 until the Scheme Consideration has been provided to the Scheme Participants. The Register in this form will solely determine entitlements to the Scheme Consideration.
- (e) Any statements of holding (or any share certificate or other document of title) in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding, certificates or documents of title in favour of Goldcorp and its successors in title). After the Record Date, each entry current on the Register as the Record Date (other than entries in respect of Goldcorp or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.
- (f) Within three Business Days after the Record Date the Target must procure that details of:
 - (i) the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date,
 - (ii) the Election (if any) of each Scheme Participant; and
 - (iii) the names and Registered Addresses of every Ineligible Foreign Shareholder at the Record Date,are available to Goldcorp in such form as Goldcorp reasonably requires.

5.4 Quotation of the Target Shares

- (a) It is expected that trading in Target Shares on ASX will be suspended no later than the Business Day following the day on which Goldcorp notifies ASX of granting of the Scheme Order. It is expected that trading in the Target Shares on the TSX will be suspended on the third day following the day on which Goldcorp notifies the TSX of the making of the Scheme Order.
- (b) On the first Business Day after the Implementation Date, the Target will apply for termination of the official quotation of the Target Shares on ASX.
- (c) Immediately following the Scheme becoming Effective, Goldcorp will notify the TSX of this event and request the delisting of the Target Shares from the TSX.

5.5 Quotation of New Goldcorp Shares

Goldcorp will apply for the equivalent of the official quotation of the New Goldcorp Shares on the TSX and the NYSE and will ensure that such shares are listed for trading on the NYSE and TSX as soon as practicable following the Effective Date in accordance with the policies of such exchanges.

6. General provisions

6.1 Lodgement of Scheme Order with ASIC

The Target must lodge with ASIC an office copy of the Scheme Order by 5.00pm on the first Business Day after the day on which the Court approves the Scheme at the Second Court Hearing.

6.2 Variations, alterations and conditions

The Target may, with the prior consent of Goldcorp, by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions to the Scheme which the Court thinks fit to impose.

6.3 Power of attorney

Upon the Scheme becoming Effective, each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints the Target and each of its directors and secretaries (each of them severally and any two or more of them jointly) as its attorney and agent for the purpose of executing any document necessary or expedient to give effect to this Scheme, including a proper instrument of transfer of their Scheme Shares which may be a master transfer of all of the Scheme Shares.

6.4 Title and rights in the Target Shares

On and from the Implementation Date, Goldcorp will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by the Target of Goldcorp in the Register as the holder of those Scheme Shares.

6.5 Scheme Participants' agreements

- (a) The Scheme Participants agree to the transfer of their Scheme Shares to Goldcorp in accordance with this Scheme.
- (b) The Scheme Participants must accept the New Goldcorp Shares issued by way of Scheme Consideration and agree to be members of Goldcorp and be bound by Goldcorp Constitution. This clause does not apply to Ineligible Foreign Shareholders.

Annexure G: Scheme of Arrangement

6.6 Status of Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares transferred to Goldcorp under this Scheme must be transferred free from all Encumbrances.
- (b) Each Scheme Participant is deemed to have warranted to Goldcorp that:
- (i) all their Scheme Shares (including any rights and entitlements attaching to those shares) that are transferred to Goldcorp under this Scheme are, at the date of transfer, fully paid and free from all Encumbrances and restrictions on transfers of any kind; and
 - (ii) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Goldcorp under this Scheme.

6.7 Further action by the Target

The Target will execute all documents and do all things necessary or expedient to implement, and perform its obligations under, this Scheme.

6.8 Authority and acknowledgement

Each of the Scheme Participants:

- (a) consents to the Target doing all things necessary or expedient for or incidental to the implementation of this Scheme;
- (b) acknowledges that this Scheme binds the Target and all Scheme Participants (including those who do not attend the Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting); and
- (c) acknowledges that, to the extent of inconsistency between this Scheme and Target's constitution, this Scheme overrides Target's constitution.

6.9 Notices

Where a notice, transfer, transmission application or other communication referred to in this Scheme is sent by post to the Target, it is not deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at the Target's registered office or at the Target's share registry.

6.10 Governing law

This Scheme is governed by the law in force in Western Australia.

6.11 Fees and charges

All filing, application or similar fees due in relation to this Scheme must be paid in accordance with the Merger Implementation Agreement.

6.12 No liability when acting in good faith

None of the Target or Goldcorp nor any officer of any of those companies is liable for anything done or omitted to be done in the performance of this Scheme in good faith.

6.13 Instructions to Target

Except for a Scheme Shareholder's tax file number, any binding instruction or notification between the Scheme Shareholder and the Target relating to the Scheme Shares or a Scheme Shareholder's status as a Target Shareholder (including, any instructions relating to payment of dividends, or to communications from the Target) will, from the Implementation Date, be deemed, by reason of the Scheme, to be a similarly binding instruction or notification to, and accepted by, Goldcorp in respect of the New Goldcorp Shares transferred to Scheme Shareholders until that instruction or notification is revoked or amended in writing addressed to Goldcorp at its share registry.

6.14 Characterisation of Merger for US Tax Purposes

- (a) The parties intend to adopt this Scheme as a plan of reorganisation for purposes of the United States Internal Revenue Code of 1986, as amended (the "Code") and applicable regulations thereunder and to treat the transactions contemplated by this Scheme as a reorganisation in accordance with the provisions of Section 368(a) of the Code for United States federal income tax purposes.
- (b) Notwithstanding the foregoing, the Target makes no representation or warranty to any other party, including any Scheme Participant or other holder of securities of the Target or Goldcorp (including, without limitation, stock options, warrants or other similar rights) regarding the United States tax treatment of such transactions, including but not limited to whether such transactions will qualify as a tax deferred plan of reorganisation for purposes of United States federal, state or local income tax.
- (c) The Scheme Participants confirm they are relying solely on their own tax advisors in connection with this Scheme.

Annexure G: Scheme of Arrangement

6.15 Canadian tax election

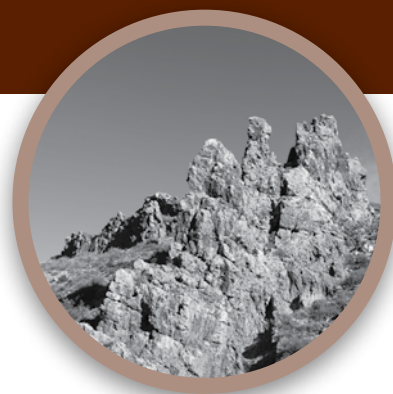
- (a) An Eligible Holder whose Scheme Shares are exchanged for New Goldcorp Shares pursuant to this Scheme is entitled to make a joint income tax election, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax law) (a “**Section 85 Election**”) with respect to the exchange by providing two signed copies of the necessary joint election forms to an appointed representative, as directed by Goldcorp, within 90 days after the Effective Date, duly completed with the details of the number of Scheme Shares transferred and the applicable agreed amounts for the purposes of such joint elections.
- (b) Goldcorp shall, within 90 days after receiving the completed joint election forms from an Eligible Holder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return them to the Eligible Holder for filing with the Canada Revenue Authority (or the applicable provincial tax authority).
- (c) Neither Goldcorp, the Target nor any successor corporation shall be responsible for the proper completion of any joint election form nor, except for the obligation to sign and return duly completed joint election forms which are received within 90 days of the Effective Date, for any taxes, interest or penalties resulting from the failure of an Eligible Holder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, Goldcorp or any successor corporation may choose to sign and return a joint election form received by it more than 90 days following the Effective Date, but will have no obligation to do so.

6.16 Further transactions

- (a) The Target, Goldcorp and the Scheme Participants acknowledge that after the Effective Date Goldcorp intends to transfer all of the Target shares to a wholly-owned Australian subsidiary (“**Goldcorp Sub**”) and that the Target will merge with and into Goldcorp Sub pursuant to a further scheme under section 413 of Corporations Act, pursuant to which all of the assets and liabilities of the Target (except to the extent such liabilities have otherwise been satisfied or discharged) become the assets and liabilities of Goldcorp Sub, and the Target will cease its separate legal existence.
- (b) Goldcorp acknowledges that the transaction under this Scheme and the amalgamation contemplated in clause 6.16(a) are interdependent steps in an integrated transaction intended to constitute a statutory merger for the purposes of Section 368(a) of the Code.

Annexure H

Deed Poll



MALLESONS STEPHEN JAQUES

Deed Poll

Dated 6 October 2010

Given by Goldcorp Inc ("**Goldcorp**") in favour of each holder of ordinary shares in Andean Resources Limited (ABN 66 064 494 319) ("**Target**") as at the Record Date

Mallesons Stephen Jaques

Level 10

Central Park

152 St Georges Terrace

Perth WA 6000

Australia

T +61 8 9269 7000

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DX 210 Perth

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Deed Poll

Details

Party	Goldcorp Inc	
Goldcorp	Name	Goldcorp Inc
	Address	Park Place Suite 3400 - 666 Burrard Street Vancouver, British Columbia V6C 2X8 Canada
	Fax	+1 604 696 3001
	Attention	Executive Vice President Business Development
Recitals	A	The directors of the Target consider that it is in the interests of the Target that the Scheme Participants should consider approving the Scheme.
	B	The directors of the Target have resolved that the Target should propose the Scheme.
	C	The effect of the Scheme will be that all Scheme Shares will be transferred to Goldcorp.
	D	The Target and Goldcorp have entered into the Merger Implementation Agreement.
	E	In the Merger Implementation Agreement, Goldcorp agreed (amongst other things) to provide the Scheme Consideration to the Target on behalf of the Scheme Participants, subject to the satisfaction of certain conditions.
	F	Goldcorp is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants to perform its obligations under the Merger Implementation Agreement and the Scheme.
Governing law	Western Australia	
Date of agreement	See signing page	

Deed Poll

General terms

1 Definitions and interpretation

1.1 Definitions

In this deed poll (unless the context otherwise requires) words and phrases used in this deed poll have the same meaning as given to them in the Merger Implementation Agreement.

1.2 Interpretation

Clause 1.2 of the Merger Implementation Agreement applies to the interpretation of this deed poll except that references to “this agreement” in that clause are to be read as references to “this deed poll”.

1.3 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of this deed poll.

1.4 Nature of deed poll

Goldcorp acknowledges that this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it.

2 Conditions

2.1 Conditions

Goldcorp’s obligations under this deed are subject to the Scheme becoming Effective.

2.2 Termination

Goldcorp’s obligations under this deed poll automatically terminate if:

- (a) the Scheme has not become Effective on or before the End Date; or
- (b) the Merger Implementation Agreement is terminated in accordance with its terms.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Goldcorp is released from its obligations to further perform this deed poll except those obligations contained in clause 9.1; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Goldcorp in respect of any breach of this deed poll which occurs before it is terminated.

3 Compliance with Merger Implementation Agreement

Subject to clause 2, Goldcorp must comply with its obligations under the Merger Implementation Agreement and do all things necessary or desirable on its part to give full effect to this deed poll, the Merger Implementation Agreement and otherwise to implement the Scheme (including being bound by the acknowledgements Goldcorp gives under the Scheme).

4 Acquisition of Scheme Shares and timing of Scheme Consideration

Subject to clause 2, in consideration for the provision to Goldcorp of all of the Scheme Shares, and all rights and entitlements attaching to them, by the Scheme Participants, Goldcorp will provide the Scheme Consideration to the Scheme Participants in accordance with clause 4 of the Scheme.

5 Provision of Scheme Consideration

5.1 Payment Cash Consideration

The obligation of Goldcorp to provide the Cash Consideration will be satisfied by Goldcorp complying with its obligations in clause 4.4 of the Scheme.

5.2 Provision of Share Consideration

The obligation of Goldcorp to provide the Share Consideration will be satisfied by Goldcorp complying with its obligations in clause 4.5 of the Scheme.

5.3 Ineligible Foreign Shareholders

In the case of each Scheme Participant who is an Ineligible Foreign Shareholder, the obligation of Goldcorp to provide the Scheme Consideration will be satisfied by Goldcorp complying with its obligations in clause 4.7 of the Scheme.

6 Warranties

Goldcorp represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of registration;

- (b) it has the corporate power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll; and
- (d) this deed poll is valid and binding upon Goldcorp and enforceable against Goldcorp in accordance with its terms.

7 Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Goldcorp has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

8 Notices

8.1 Form

All notices or other communication to Goldcorp in respect of this deed poll must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender; and
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

8.2 Delivery

Communications must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid ordinary post (airmail if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed address or fax number, then communications must be to that address or fax number.

8.3 When effective

Communications take effect from the time they are received or taken to be received under clause 8.4 (whichever happens first) unless a later time is specified.

8.4 When taken to be received

Communications, if sent by fax are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

8.5 Receipt outside business hours

Despite clauses 8.3 and 8.4, if communications are received or taken to be received under clause 8.4 after 5.00pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day and take effect from that time unless a later time is specified.

9 General

9.1 Stamp duty

Goldcorp must pay all stamp duty (including fines and penalties) payable and assessed on this deed poll, any instruments entered into under this deed poll and in respect of a transaction effected by or made under the Scheme and this deed poll.

9.2 Variation

A provision of this deed poll or any right created under it may not be varied, altered or otherwise amended unless the variation is agreed to by the Target and Goldcorp in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme, in which event Goldcorp must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

9.3 Assignment

The rights and obligations of Goldcorp and each Scheme Participant under this deed poll are personal and must not be assigned or otherwise dealt with at law or in equity.

9.4 Governing law and jurisdiction

This deed poll is governed by the law in force in Western Australia. Goldcorp submits to the non-exclusive jurisdiction of the courts of that place.

9.5 Further action

Goldcorp must execute all documents and do all things necessary or expedient to give effect to this deed poll.

Annexure H: Deed Poll

EXECUTED as a deed poll

DATED: 6 October 2010

EXECUTED by GOLDCORP INC.
per:

.....
David L. Deisley

.....
Executive Vice President,
Corporate Affairs and General Counsel

.....
Title

(Signed)

.....
Signature

In presence of:

(Signed)

(Signed)

.....
Witness name

.....
Witness signature

Annexure I

Notice of Scheme Meeting



Annexure I: Notice of Scheme Meeting

Notice of Court ordered Scheme Meeting of Shareholders of Andean Resources Limited

ABN 66 064 494 319

Notice is given that, by an order of the Federal Court of Australia, a meeting of members of Andean Resources Limited (**Andean**) will be held at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia on 3 December 2010 at 10.00am.

Business

The purpose of the Scheme Meeting is to consider, and if thought fit, to agree to a scheme of arrangement (with or without modification) proposed to be made between Andean and the holders of shares in Andean as at the Record Date (**Scheme**) pursuant to Part 5.1 of the Corporations Act 2001 (Cth) (**Corporations Act**). The Scheme is proposed to be made in respect of the Andean Shares held by Shareholders in the form of the scheme contained in **Annexure G** to the Scheme Booklet which accompanies this notice.

To assist you in making an informed voting decision, further information on the Scheme is set out in the Scheme Booklet accompanying this notice. A copy of the Scheme is set out in **Annexure G** to the Scheme Booklet and its purpose and effect is explained throughout that document.

Terms used in this notice, including in the resolution set out below, have the same meaning as set out in the Glossary in the Scheme Booklet which accompanies this notice.

Resolution

To consider and, if thought fit, to pass the following resolution:

*"That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement proposed to be entered into between Andean Resources Limited and holders of its fully paid ordinary shares (**Scheme**) is approved and the board of directors of Andean are authorised to agree to such modifications or conditions as are thought fit by the Federal Court of Australia (**Court**) and, subject to approval of the Scheme by the Court, to implement the Scheme with any such modifications or conditions."*

In accordance with section 411(4)(b) of the Corporations Act, the Scheme is subject to the approval of the Court. If the resolution put to the meeting is approved by the Requisite Majority of Shareholders, Andean intends to apply to the Court for approval of the Scheme.

Majority required

In accordance with section 411(4)(a) of the Corporations Act, for the Scheme to be effective, the resolution must be passed by:

- unless the Court orders otherwise, a majority in numbers of Shareholders present and voting (either in person or by proxy); and
- 75% of the votes cast on the resolution.

The vote will be conducted by poll.

Voting entitlement

For the purposes of this Scheme Meeting, Andean Shares will be taken to be held by the persons who are the registered holders at the Voting Record Date expected to be 7.00pm on 1 December 2010. All holders of Andean Shares as at that time are entitled to vote at the Scheme Meeting.

How to vote

See **section 4** of the Scheme Booklet for detailed information regarding voting and submitting proxy and voting instructions forms for the Scheme Meeting for Shareholders and Canadian Beneficial Holders.

Court approval

The Scheme (with or without modification) is subject to the approval of the Federal Court of Australia.

Notice of Scheme Meeting approved by The Board of Directors

Dated: 1 November 2010

(Signed)

Louis Gignac
Chairman
Andean Resources Limited

For personal use only

Annexure J

Notice of Annual General Meeting



Annexure J: Notice of Annual General Meeting

Notice is given that the 2010 Annual General Meeting (**AGM**) of the Shareholders of Andean Resources Limited (ABN 66 064 494 319) (**Andean**) will be held at 10.30am on 3 December 2010, or immediately following the Scheme Meeting (whichever is later) at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia.

Andean sought an extension for the AGM given the expected timing for the Shareholder's meeting to consider the Scheme (**Scheme Meeting**) was expected to fall after 30 November 2010.

ASIC has granted this extension and has extended the date by which Andean must hold its AGM to no later than 31 January 2011 provided the AGM is held on or before the date of the Scheme Meeting. Andean now intends to hold the AGM and the Scheme Meeting on the same day with the AGM to follow the Scheme Meeting.

The resolutions to be considered by Shareholders at the AGM will depend on the results of the Scheme Meeting. If the Scheme is approved at the Scheme Meeting by the Requisite Majority of Shareholders, Shareholders will be asked to only consider resolutions 1, 2, 3, 4 and 5.

If the Scheme is not approved at the Scheme Meeting, Shareholders will be asked to consider all resolutions.

The resolutions before the meeting will be as follows:

1 Financial report

To receive and consider the financial report of Andean and the reports of the Directors and auditors for the year ended 30 June 2010.

2 Ratification of appointment of Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

That Andean ratifies the appointment by the Directors of Mr Charles (Chuck) Winograd as a Director of Andean effective from 15 April 2010.

3 Remuneration report

To consider and, if thought fit, pass the following resolution as a **non binding resolution**:

That, the Remuneration Report contained in the Directors' Report for the year ended 30 June 2010, be adopted by Andean.

Special Business

4 Approval of issue of shares and options to Directors

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

- (a) That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 46,200 Shares under the ESOP, and 106,260 Options to Mr Wayne Hubert, for the purposes and on the terms set out in the Explanatory Statement.
- (b) That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 150,000 Shares to Mr Charles Winograd under the ESOP, for the purposes and on the terms set out in the Explanatory Statement.
- (c) That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes Shareholders approve the issue of performance rights to Mr Charles Winograd under the ESOP, on the terms and for the purposes set out in the Explanatory Statement.

Voting exclusion statement

For the purposes of Listing Rule 10.15A, Andean will disregard any votes cast on these resolutions by Mr Wayne Hubert and Mr Charles Winograd, being persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if the resolution is passed, and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides)

Additional resolution if the Scheme is approved by the Requisite Majority of Shareholders

5 Cancellation of Options¹³

To consider and, if thought fit, to pass the following as an ordinary resolution:

That for all purposes, including section 6.13 of the TSX Company Manual and Listing Rule 6.23, Shareholders approve the cancellation of up to 3,223,440 Options held by option holders each of whom is a Director, officer, employee or consultant to Andean (including those to be issued to Wayne Hubert under Resolution 4) in accordance with the Option Cancellation Deed as set out in the AGM Explanatory Statement.

¹³ If the Scheme is approved by the Requisite Majority of Shareholders but Resolution 5 is not approved by Shareholders, then Resolution 7 (Employee Share Ownership Plan) will also be put to Shareholders for their approval. See Resolution 7 below.

Annexure J: Notice of Annual General Meeting

Voting exclusion statement

For the purposes of Listing Rules 6.23 and 14.11 Andean will disregard any votes cast on this resolution by a person who holds an Option that is the subject of this resolution and any associates of such persons unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides)

Additional resolutions if Scheme is not approved by Shareholders

Ordinary Business

6 Re-election of Director

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

That Mr Ian Hume, being a Director of Andean who retires by rotation under article 20.3 of the Constitution, and being eligible, be re-elected as a Director.

Special Business

7 New Employee Share Ownership Plan¹⁴

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

That, for the purposes of exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, the Shareholders approve the New Employee Share Ownership Plan for the purposes and on the terms set out in Annexure A of the Explanatory Statement.

Voting exclusion statement

For the purposes of Listing Rule 7.2, Andean will disregard any votes cast on this resolution by a Director who is eligible to participate in the New Employee Share Ownership Plan or an associate of such a Director, unless it is cast:

- by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form); or
- by the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides)

8 Ratification of issue of securities to a syndicate of underwriters led by BMO Capital Markets

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

That, pursuant to Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the allotment and issue of 70,000,000 Shares to a syndicate of underwriters, for the purposes and on the terms set out in the Explanatory Statement.

Voting exclusion statement

For the purposes of Listing Rule 7.5.6, Andean will disregard any votes cast on this resolution by any person who participated in the issue and any of their associates, unless it is cast:

- by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides

Information for Shareholders

The accompanying AGM Explanatory Statement and Management Information Circular forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Scheme Booklet which contains definitions of capitalised terms used in this Notice of AGM.

Voting and Proxies

See **section 4** of the Scheme Booklet for detailed information regarding voting and submitting proxy and voting instructions forms for the Annual General Meeting for Shareholders and Canadian Beneficial Holders.

Notice of Annual General Meeting by order of The Board of Directors

Dated: 1 November 2010

(Signed)

Louis Gignac
Chairman
Andean Resources Limited

¹⁴ Note that this Resolution 7 will also be put to Shareholders for their approval if the Scheme is approved by the Requisite Majority of Shareholders but Resolution 5 is not approved.

Annexure J: Notice of Annual General Meeting

AGM Explanatory Statement and Management Information Circular

This AGM Explanatory Statement and Management Information Circular has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the AGM.

Explanatory Statement – Resolutions if Scheme is approved by Shareholders

Resolution 1 – Financial report

Under the Corporations Act, the Directors are required to lay before the meeting the Financial Report and associated reports of the Directors and the auditors for the financial year ended 30 June 2010. No resolution is required for this item of business. However, members will have an opportunity at the meeting to ask questions about, or make comments on, these reports and the management of Andean.

The Auditor, BDO Kendalls, will also be available to take members' questions about the conduct of the audit, the Auditors' report, Andean's accounting policies and the independence of the Auditor in relation to the conduct of its audit.

Resolution 2 – Ratification of appointment of Director

Mr Charles (Chuck) Winograd was appointed as a Director of Andean on 15 April 2010. Mr Winograd's appointment was consistent with Andean's preparation of the development phase of the Cerro Negro Project.

Mr Winograd is currently the President of Winograd Capital Inc., an external consulting services and private investment company. Previously, Mr Winograd was Chief Executive Officer of RBC Capital Markets, a position he held from 2001 to 2008. When RBC Dominion Securities acquired Richardson Greenshields in 1996, Mr Winograd became Deputy Chairman and a director. Mr Winograd was appointed to the position of President and Chief Operating Officer of RBC Dominion Securities in 1998. Mr Winograd held several executive postings in Richardson Greenshields until becoming President and Chief Executive Officer in 1987 and Chairman and Chief Executive Officer in 1991. Mr Winograd holds a Master of Business Administration degree from the University of Western Ontario and is a Chartered Financial Analyst (CFA). Mr Winograd is currently a director of RioCan Real Estate Investment Trust, Talisman Energy, RBC Dexia, Tamir Fishman (Israel), Mount Sinai Hospital, Winograd Capital Inc. and James Richardson & Sons, Limited.

The Directors (other than Mr Winograd) recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Remuneration Report

Shareholders entitled to vote at the AGM will also be entitled to vote on the adoption of the Remuneration Report set out in the Directors' Report.

The Remuneration Report:

- discusses Andean's policy on remuneration of Directors and the link between remuneration and Andean's performance; and
- details the remuneration arrangements in place for each Director.

A Remuneration Report must also discuss Andean's policy on remuneration of employees. Similarly, a Remuneration Report must explain the differences in remuneration between executive and non-executive Directors.

In accordance with section 250R of the Corporations Act, the vote on the Remuneration Report resolution is advisory only and does not bind the Directors or Andean.

Resolutions 4 – Approval of issue of Shares and Options to Directors

Andean has issued Shares to Mr Wayne Hubert and Mr Charles Winograd in accordance with the existing Employee Share Ownership Plan (ESOP). Andean has also issued Options to Mr Wayne Hubert and performance rights to Mr Charles Winograd subject to receiving Shareholder approval.

Related party transactions

Under the related party provisions of the Corporations Act (Chapter 2E) the provision of any financial benefit (which includes the grant of shares) to a related party requires shareholder approval unless an exception applies. ASX Listing Rule 10.14 requires Andean to seek Shareholder approval prior to the issue of securities to a director under an employee incentive scheme. Mr Hubert and Mr Winograd are Directors of Andean.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit to the related party.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities. Under the Corporations Act, a director of a company is a related party of that company. Therefore,

Annexure J: Notice of Annual General Meeting

for the purposes of Chapter 2E, the grant of Shares and Options to Mr Hubert and Shares and performance rights to Mr Winograd involves the provision of a financial benefit to a related party of Andean.

While an exception may exist on the basis that the issues constitute reasonable remuneration, as a matter of good corporate governance Andean has decided to seek Shareholder approval under Chapter 2E of the Corporations Act.

For the purpose of section 219 of the Corporations Act and in accordance with for ASX Listing Rules 10.14 and 10.15 the following information is provided to allow Shareholders to assess the grant of Shares and Options to Mr Winograd and Mr Hubert:

Wayne Hubert (Resolution 4(a))

The Board has granted to Mr Hubert:

- (a) a total of 46,200 Shares (50% of which vest at the end of year 2 and 25% of which vest at the end of years 3 and 4); and
- (b) 106,260 Options (50% of which vest at the end of year 2 and 25% of which vest at the end of years 3 and 4).

The terms of issue of the Options provide that the Options will expire on 29 July 2017. The exercise price of the Options is C\$3.41.

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board intends to approve the immediate vesting of the Shares and Options granted to Mr Hubert.

If the Scheme is not approved by the Requisite Majority of Shareholders at the Scheme Meeting, the terms of the Shares and Options will be as follows:

The Shares and Options will vest in three tranches on the second, third and fourth anniversary of their grant (on or around December 2012, December 2013 and December 2014 respectively) subject to Shareholder approval of their grant.

	% of total Shares and Options	Vesting Date
Tranche 1	50%	On or around December 2012
Tranche 2	25%	On or around December 2013
Tranche 3	25%	On or around December 2014

Charles Winograd (Resolution 4(b))

The Board has granted to Mr Winograd:

- (a) 150,000 Shares (50,000 of which vest upon grant, and 50,000 vesting at the end of each of year 1 and year 2); and
- (b) performance rights for fully paid Shares equivalent to A\$240,000.

Conditions and terms of issue of Shares

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board intends to approve the immediate vesting of the Shares granted to Mr Winograd.

If the Scheme is not approved by the Requisite Majority of Shareholders at the Scheme Meeting, 50,000 of the Shares will vest upon grant, and 50,000 will vest at the end of each of year 1 and year 2 after the date of grant.

Conditions and terms of issue of performance rights

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board intends to approve the immediate vesting of the performance rights granted to Mr Winograd.

If the Scheme is not approved by the Requisite Majority of Shareholders at the Scheme Meeting, the terms of the performance rights will be as follows:

The performance rights will vest on the third anniversary of issue (on or around December 2013, December 2014 and December 2015 respectively) subject to the satisfaction of a performance hurdle. The performance hurdle relates to a comparison of Andean's Share performance against that of its peer group and will be satisfied if Andean's three year annualised relative share price change equals or outperforms the weighted average share price change of the S&P/TSX Global Gold Index for the same period.

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A four year 'catch up' period will apply in respect of each tranche if the performance hurdle is not satisfied on the relevant vesting date. The 'catch up' periods apply in respect of each tranche as follows:

	Issue Date	Vesting Date	'Catch up' period
Tranche 1	December 2010	December 2013	January 2014 – December 2017
Tranche 2	December 2011	December 2014	January 2015 – December 2018
Tranche 3	December 2012	December 2015	January 2016 – December 2019

During the relevant catch up period, the rights will be subject to an annual cumulative share price change test relative to the Index. If, over the period for which the rights have been outstanding, Andean's Share price change is greater than the Index on a cumulative basis, the rights will vest. This test will be completed on an annual basis until December 2019. If the rights have not vested by December 2019 they will lapse.

On satisfaction of the performance hurdle, the Shares will be issued in accordance with the ESOP and will rank equally with all other Shares on issue. The notional issue price of the Shares will be calculated by reference to the volume weighted average price of Andean's Shares on the ASX in the five trading days prior to issue.

If Mr Winograd retires or is removed (other than for gross misconduct), rights already issued to him will vest in the ordinary course (including under the 'catch up' provisions). For example, if Mr Winograd retires on 1 January 2011, he will be entitled to fully paid Shares equivalent to around AUD\$2,500 in the event that the performance hurdle is satisfied (either in December 2013 or in accordance with the 'catch up' provisions). However, Mr Winograd will not be eligible for the additional AUD\$77,500 worth of rights which would have accrued in the years following retirement or removal.

Otherwise, the rights will be issued in accordance with Andean's ESOP. In accordance with the terms of the ESOP, the performance hurdle can only be revised in circumstances where a change of control event occurs.

Listing Rule 10.14

Pursuant to the requirements of Listing Rules 10.14 and 10.15, the following information is provided with regard to Mr Hubert and Mr Winograd and Resolution 4:

- (a) Mr Hubert and Mr Winograd are Directors of Andean.
- (b) The number of Shares, Options and performance rights to be granted to each Director is shown above. All Options are Options over ordinary Shares which may be converted on a one-for-one basis; therefore the maximum number of shares which may be issued upon exercise of the Options is as shown above.

- (c) The maximum number of securities that may be acquired by Mr Winograd pursuant to his performance rights will be the number of fully paid Shares equivalent to AUD\$240,000 at the time that the performance rights vest.
- (d) The Shares and performance rights will be issued at no cost to the Directors under the ESOP. The notional issue price of Shares issued to Mr Winograd on satisfaction of the performance hurdles will be calculated by reference to the volume weighted average price of Andean's Shares on the ASX in the five trading days prior to issue.
- (e) No securities have been issued to Mr Hubert or Mr Winograd under the ESOP since shareholder approval was last obtained at the 2009 annual general meeting of Andean.
- (f) The following Directors are entitled to participate in the ESOP:
 - (i) Barry Bolitho;
 - (ii) Ian Hume;
 - (iii) Louis Gignac;
 - (iv) Wayne Hubert;
 - (v) Richard Lorson; and
 - (vi) Charles Winograd.
- (g) A voting exclusion statement is set out under Resolution 4 in the Notice of Meeting. There is no loan attaching to the offer under the ESOP.
- (h) If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, Andean will issue the Options for which approval is sought under Resolution 4 immediately following the Scheme Meeting. If the Scheme is not approved by the Requisite Majority of Shareholders at the Scheme Meeting, Andean will issue the Options for which approval is sought under Resolution 4 within 30 days after the AGM.

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- (i) If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Performance Rights will be issued immediately following the Scheme Meeting and the Andean Board will allow the Performance Rights to vest. If the Scheme is not approved by the Requisite Majority of Shareholders at the Scheme Meeting, subject to the terms set out in this Notice of Meeting and the ESOP, the Performance Rights will be issued on or around December 2010, December 2011 and December 2012. Shares will be issued within 30 days of the satisfaction of the performance hurdle.

Other information

The Directors are not aware of any other information that is reasonably required by the Shareholders to allow them to make a decision as to whether it is in the best interests of Andean to pass these resolutions.

Additional resolution if the Scheme is approved by the Requisite Majority of Shareholders

Resolution 5 – Cancellation of Options¹⁵

As at the date of this Notice, 3,223,440 Options were held by a total of five holders (each of whom is a Director, officer, employee or consultant to Andean). The number of Options on issue will reduce if any Options are exercised after this date.

The table below contains the details of Options that remain outstanding at the date of this Notice.

Number of Options	Terms of Options
2,000,000	Options exercisable at A\$0.70 per share expiring 14 July 2011
250,000	Options exercisable at A\$1.60 per share expiring 2 June 2012
500,000	Unvested Options exercisable at A\$0.75 per share expiring 31 July 2012 (subject to accelerated vesting under the Merger Implementation Agreement)
300,000	Options exercisable at C\$2.82 per share expiring 5 July 2017
40,480	Unvested Options exercisable at C\$3.41 per share expiring 29 July 2017 (subject to accelerated vesting under the Merger Implementation Agreement)
26,700	Unvested Options exercisable at C\$4.06 per share expiring 22 August 2017 (subject to accelerated vesting under the Merger Implementation Agreement)
106,260	Unvested Options exercisable at C\$3.41 per share expiring 29 July 2017 (these Options have been granted and will be issued, subject to Shareholder approval, after the Annual General Meeting) (subject to accelerated vesting under the Merger Implementation Agreement)

If the Scheme is approved by the Requisite Majority of Shareholders at the Scheme Meeting, the Andean Board will approve the vesting of any unvested Options.

While each holder of the Options retains the right to exercise the Options, Goldcorp has entered into an agreement with Andean and each of the Option holders under which the Options will be cancelled in exchange for cash equal to the difference between the exercise price of the Option and C\$6.50 (Option Cancellation Deed). The Option Cancellation Deed is subject to the Scheme becoming Effective, Shareholders approving the cancellation of the Options at the Annual General Meeting and the Options not having been exercised.

The Directors (other than Mr Hubert) recommend that Shareholders vote in favour of Resolution 5.

¹⁵ If the Scheme is approved by the Requisite Majority of Shareholders but Resolution 5 is not approved by Shareholders, then Resolution 7 (Employee Share Ownership Plan) will also be put to Shareholders for their approval. See Resolution 7 below.

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Explanatory Statement – Additional business if Scheme is not approved by Shareholders

Resolutions 6 – Re-election of Director

Mr Ian Hume

In accordance with article 20.3 of the Constitution, at every AGM, one third (rounded to a whole number) of the Directors (excluding the Managing Director) must retire from office and are eligible for re-election. In accordance with this article, the Director seeking re-election is Mr Ian Hume. Qualification details of Mr Hume are provided below.

Mr Hume has over 30 years experience in the corporate development of, and equity raising for a wide variety of resources projects. He is a former partner in BAIN & Co, stockbrokers, a former director of Ariadne Australia and was, for a number of years, a strategic consultant to the private capital group of the AMP Limited. Mr Hume is also a founding partner of Sentient Global Resource Fund.

Mr Hume was appointed non-executive director of Golden Minerals Co. in May 2009. Golden Minerals is a mineral exploration and development company, listed on the American Stock Exchange and the TSX. The company owns 65% of San Cristobal, one of the world's largest silver-zinc-lead development projects.

Mr Hume was appointed non-executive director of ASX listed Iron Road Ltd in March 2009. Iron Road is a mineral exploration company with advanced magnetite and hematite iron ore projects.

Mr Hume is non-executive director of Norsemont Mining Inc. Norsemont is a mining exploration and development company listed on the TSX. The company owns 100% of the Constancia copper-molybdenum-silver project located in Peru. The Constancia project is one of the premier independent advanced stage copper development projects in South America.

The Directors (other than Mr Hume) recommend that Shareholders vote in favour of Resolution 6.

Other information

The following table sets out the name of the nominees for re-election as a Director of and each Director whose term of office as a Director will continue after the Meeting, the province or state and the country in which each is ordinarily resident, all offices of Andean now held by each of them, their principal occupation for the previous 5 years, the period of time for which each has been a Director, and the number of Andean Shares or its subsidiary beneficially owned by each, or over which control or direction is exercised, directly or indirectly as at 25 October 2010 (Toronto).

Name and Residency	Current Office with Andean	Principal Occupation for Past Five Years	Date Appointed	No. of Shares Beneficially Owned Directly or Indirectly
Barry Bolitho ⁽¹⁾ WA, Australia	Independent Non-Executive Director	Corporate director	1 August 2006 ⁽²⁾	1,030,514
Louis Gignac ⁽¹⁾ Ontario, Canada	Independent Non-Executive Chairman	President of mining and EPCM companies	15 July 2009 ⁽²⁾	166,666
Wayne Hubert Utah, USA	Chief Executive Officer and Director	CEO and related positions at mining companies	25 September 2006 ⁽²⁾⁽³⁾	5,821,000
Ian Hume ⁽¹⁾ NSW, Australia	Independent Non-Executive Director	Corporate director	1 October 2004 ⁽²⁾	5,000,000
Richard Lorson ⁽¹⁾ Nevada, USA	Independent Non-Executive Director	Geologist	22 January 2007 ⁽²⁾	1,035,250
Charles Winograd ⁽¹⁾ Ontario, Canada	Independent Non-Executive Director	President, Winograd Capital	14 April 2010 ⁽²⁾	0

Notes:

(1) Member of the Audit Committee, Nomination & Governance Committee and Human Resources Committee.

(2) All directors (other than alternate directors and managing directors) automatically retire and are eligible for re-appointment annually, at the Annual General Meeting of Shareholders.

(3) Pursuant to the terms of Mr Hubert's Employment Agreement, the officer's employment may be terminated by Andean or the officer with or without cause at any time.

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To the best of Andean's knowledge, no proposed Director is, or within the 10 years prior to the date of this Explanatory Statement has been, a director or executive officer of any other company that, while that person was acting in that capacity:

- was the subject of a cease trade order or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- was subject to an event that resulted, after the Director or executive officer ceased to hold such position, in the other company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- within a year of that person ceasing to act in that capacity, was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Further, to the best of Andean's knowledge, no proposed Director has:

- within the 10 years before the date of this Explanatory Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold that person's assets;
- been subject to any penalties or sanctions imposed by a court relating to any relevant securities legislation or by any relevant securities regulatory authority or has entered into a settlement agreement with any relevant securities regulatory authority; or
- been subject to any other penalties or sanctions imposed by court or regulatory body that would likely be considered important to reasonable investor making an investment decision.

Resolution 7 – Employee Share Ownership Plan⁽¹⁶⁾

The New Employee Share Ownership Plan (**New ESOP**) is designed to attract and retain the best available personnel, to provide additional incentives to employees, Directors and consultants of Andean and to promote the success of Andean's business.

Listing Rule 7.1 imposes a limit on the number of shares which a company can issue without shareholder approval. In general terms, the limit is that a company may not, without shareholder approval issue, in any 12 month period, equity securities which are more than 15% of:

- the number of fully paid ordinary shares on issue 12 months before the issue; plus
- the number of fully paid ordinary shares issued in that 12 months under an exception contained in Listing Rule 7.2 or with Shareholder approval.

Approval is sought so that any Andean Shares issued under the New ESOP will not be counted for the purposes of the "15% limit" in ASX Listing Rule 7.1.

A copy of the New ESOP is attached to this AGM Explanatory Statement and Management Information Circular. A summary of the key terms and conditions of the New ESOP is provided below.

How offers of Andean Shares and Awards will be made

The Board is authorised under the New ESOP to award any type of arrangement to an employee, Director or consultant (a **Grantee**) that is not inconsistent with the provisions of the ESOP and that by its terms involves or might involve the issuance of (i) Andean Shares, or (ii) an option over Andean Shares (**Option**), a Stock Appreciation Right (**SAR**), or similar right with a fixed or variable price related to the Fair Market Value (as defined in the New ESOP) of the Andean Shares (**Award**) and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions.

Limitations

(a) Aggregate award limitation:

The maximum aggregate number of shares which may be issued pursuant to all Awards may not exceed 5% of the number of shares then outstanding at the time of the contemplated award. SARs payable in Andean Shares will reduce the maximum aggregate number of Andean Shares which may be issued under the New ESOP only by the net number of actual Andean Shares issued to the Grantee upon exercise of the SAR.

⁽¹⁶⁾ Note that this Resolution 7 will also be put to Shareholders for their approval if the Scheme is approved by the Requisite Majority of Shareholders but Resolution 5 is not approved.

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(b) Awards to Australian residents

Andean may not grant any Awards or procure the issue of any Andean Shares to Australian residents under the New ESOP if, immediately following the issue or grant, the aggregate of the total number of:

- (i) unissued Andean Shares over which Options and other Awards (which remain outstanding) have been granted to Australian residents under the New ESOP and any other employee incentive scheme of Andean; and
- (ii) Andean Shares issued during the preceding five years to Australian residents under the New ESOP and any other employee incentive scheme of Andean,

would exceed 5% of the number of Andean Shares on issue at the time of the proposed issue or grant.

(c) Individual limit for Options and SARs

The maximum number of Andean Shares with respect to which Options and SARs may be granted to any Grantee in any calendar year must not exceed 5% of the Andean Shares then outstanding. The foregoing limitations will be adjusted proportionately in connection with any change in Andean's capitalisation pursuant to the terms of the New ESOP. For this purpose, the repricing of an Option (or in the case of a SAR, the base amount on which the share appreciation is calculated is reduced to reflect a reduction in the Fair Market Value of the Andean Shares) will be treated as the cancellation of the existing Option or SAR and the grant of a new Option or SAR.

(d) Individual limit for Restricted Share and Restricted Share Units

The maximum number of Andean Shares with respect to which such Awards may be granted to any non-Australian resident Grantee in any calendar year must not exceed 5% of the Andean Shares then outstanding. The maximum number of Andean Shares with respect to which such Awards may be granted to any Australian-resident Grantee will be determined by the limitation set forth in Section 3(b) above. The foregoing limitation will be adjusted proportionately in connection with any change in Andean's capitalisation pursuant to Section 10 below.

(e) Limits with respect to insiders

The maximum number of shares with respect to which Awards may be granted must not exceed 5% of the Andean Shares then outstanding.

Price

The exercise or purchase price, if any, for a grant of Andean Shares under the New ESOP will be determined by the Board. In the case of an Option granted under the New ESOP, the per Andean Share exercise price must be not less than one hundred percent (100%) of the Fair Market Value per Andean Share on the date granted.

In the case of SARs, the base appreciation amount must not be less than one hundred percent (100%) of the Fair Market Value per Andean Share on the date granted.

Consideration

Subject to all applicable laws, including the ASX Listing Rules and the rules and regulations of the TSX, the consideration to be paid for the Andean Shares to be issued upon exercise or purchase of an Award, including the method of payment, will be determined by the Board.

Eligibility

The offers may be made to employees, Directors and consultants.

Performance conditions

Subject to the terms of the New ESOP, the Board will determine the provisions, terms, and conditions of each offer under the New ESOP including, but not limited to, the vesting schedule, forfeiture provisions, payment contingencies, and satisfaction of any performance criteria.

Term of Award

The term of each Award will be the term stated in the Award Agreement (as defined in the New ESOP), and such term cannot exceed 10 years. Notwithstanding the foregoing, the specified term of any Award will not include any period for which the Grantee has elected to defer the receipt of the Andean Shares or cash issuable pursuant to the Award.

Transferability of Awards

Awards will be transferable (i) by will and by the laws of descent and distribution and (ii) during the lifetime of the Grantee, to the extent and in the manner authorised by the Board but only to the extent such transfers are made to family members, to family trusts, to family controlled entities, to charitable organisations and pursuant to domestic relations orders or agreements, in all cases without payment for such transfers to the Grantee. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Board.

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Exercise of Award following termination of continuous service

An Award may not be exercised after the termination date of such Award and may be exercised following the termination of a Grantee's Continuous Service (as defined in the New ESOP) only to the extent provided by the Award Agreement.

Where terms of the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award will terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

Amendments to the New ESOP

The Board may from time to time, in the absolute discretion of the Board and without shareholder approval, make the following amendments to the New ESOP or any Option or Award granted under the New ESOP:

- (a) an addition to, deletion from or alteration of the New ESOP that is necessary to comply with applicable law or the requirements of any regulatory authority or the TSX or the ASX, as the case may be;
- (b) any amendment of a "housekeeping" nature, including, without limitation: amending the wording of any provision of the New ESOP for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the New ESOP that is inconsistent with any other provision of the New ESOP; correcting grammatical or typographical errors; and amending the definitions contained within the New ESOP respecting the administration of the New ESOP;
- (c) any amendment respecting the administration of the New ESOP; and
- (d) any other amendment that does not require shareholder approval pursuant to the New ESOP or otherwise.

Shareholder approval will be required for the following amendments to the New ESOP:

- (a) any amendment to the terms of an Option or Award which is permitted by ASX Listing Rule 6.23.4;
- (b) any increase in the maximum number of Andean Shares issuable as a fixed percentage of the outstanding Andean Shares;
- (c) to remove or exceed the Insider participation limit;
- (d) to an amending provision within the New ESOP;
- (e) any change which would materially modify the requirements as to eligibility for participation in the New ESOP.

Rights attaching to the Andean Shares

Shares issued under the New ESOP carry the same rights as all other ordinary Andean Shares on issue.

- **Dividends:** A Participant is entitled to receive any dividends paid on Andean Shares issued to them under the New ESOP.

- **Voting rights:** A Participant can exercise any voting rights attaching to the Andean Shares issued under the New ESOP, or may appoint a proxy to represent and vote for them at any meeting of members of Andean.

- **Bonus Andean Shares:** Participants who have been issued Andean Shares under the New ESOP can participate in any bonus issue of Andean Shares.

If Andean makes a bonus issue of Andean Shares or other securities to the existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Andean Shares which will be issued on exercise of each unexercised Option will be increased by the number of Andean Shares or other securities which the Grantee would have received if the Option had been exercised before the record date for the bonus issue.

- **Rights issue:** If Andean has a Rights Issue, the exercise price of each unexercised Option will be adjusted in accordance with the formula for adjustment set out in the ASX Listing Rules.
- **Change of control:** If Andean enters into a Change in Control Transaction (as defined in the new ESOP), the Board may determine that the restrictions which apply to an Andean Share, Option or Award issued to a Participant under the New ESOP, or any performance conditions that must be satisfied for an Andean Share to be issued to a Participant under the New ESOP, will cease to apply at a time determined by the Board on such terms and conditions as the Board may specify.
- **Reconstructions:** Subject to any required action by the Board or Shareholders and compliance with all applicable laws, in the event of any reconstruction of the issued capital of Andean (including a consolidation, a subdivision, a reduction, return or cancellation of capital or similar change in the capital structure of Andean without consideration), then (i) the number of Options and exercise price of each Option must be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of the reconstruction; and (ii) any Andean Shares acquired under the New ESOP must be affected in the same way as other Andean Shares.

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As all of the Directors are eligible to participate in the New ESOP and therefore have an interest in this resolution, the Board will not make a recommendation to Shareholders on how to vote on Resolution 7.

Resolution 8 – Ratification of issue of securities to a syndicate of underwriters led by BMO Capital Markets

Andean has issued 70,000,000 Shares (**New Shares**) under section 708A(5)(e) of the Corporations Act without disclosure to Shareholders. Under Listing Rule 7.1 and Listing Rule 7.4, the issue of the New Shares is subject to ratification by Shareholders.

Listing Rules 7.1 and 7.4

Listing Rule 7.1 imposes a limit on the number of equity securities (eg shares or options to subscribe for shares) which a company can issue without shareholder approval. A company may not, without shareholder approval, issue equity securities if the securities when aggregated with the securities issued by the company during the previous 12 months (other than securities issued under an exception set out in Listing Rule 7.2 or with shareholder approval) will exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Under Listing Rule 7.4 an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 when made and the company's members subsequently approve it.

Information required by Listing Rule 7.5

Listing Rule 7.5 requires that the information set out below be provided to Shareholders:

- (a) The number of securities issued by Andean was 70,000,000 Shares.
- (b) Each New Share was issued at CAD\$3.35 per Share.
- (c) The New Shares are fully paid ordinary Andean Shares and rank equally in all respects with the existing Andean Shares.
- (d) The New Shares were issued to a syndicate of underwriters led by BMO Nesbitt Burns Inc and included RBC Dominion Securities Inc., CIBC World Markets Inc., Paradigm Capital Inc., UBS Securities Canada Inc., Dundee Securities Corporation, TD Securities Inc. and Haywood Securities Inc..
- (e) Andean intends to use the funds raised from the issue of the New Shares for the purposes of funding the exploration and development of the Cerro Negro Project over the next two years as Andean moves towards production.

Board recommendation

The Board believes that the ratification of this issue is beneficial for Andean. The Board recommends that Shareholders vote in favour of the resolution.

Management Information Circular

Andean is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators, the following disclosure is required to be included.

Purpose of Solicitation

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Andean for use at the Annual General Meeting. The Annual General Meeting is scheduled to be held at Harbour Terrace, Museum of Contemporary Art, 140 George Street, The Rocks, Sydney, Australia, on, 3 December 2010 at 10.30 am or immediately following the Scheme Meeting, whichever is later, for the purposes set forth in the Notice accompanying this AGM Explanatory Statement and Management Information Circular.

Andean has retained Kingsdale to solicit proxies from Shareholders for the purposes of the Scheme Meeting. Kingsdale will be paid a fixed fee of C\$100,000 plus out-of-pocket expenses which will be borne directly by Andean.

Voting and Proxies

See section 4 of the Scheme Booklet for detailed information regarding voting and submitting proxy and voting instructions forms for the Annual General Meeting for Shareholder and Canadian Beneficial Holders.

Principal Holders of Voting Securities of Andean

To the knowledge of the Directors and senior officers of Andean, the following persons or companies beneficially own, directly or indirectly, or exercises control or direction over, voting securities of Andean carrying more than 10 percent of the voting rights attached to any class of voting securities of Andean as of 30 June 2010.

Name	Number of Common Shares	Percentage of Common Shares
Sentient	112,638,698	20.77%

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Executive compensation – compensation discussion and analysis

Note that the following disclosure is required under Canadian law and certain information relating to Directors as at 30 June 2010 may be different to other disclosure in the Scheme Booklet relating to Directors expressed as at the date of this Scheme Booklet.

Remuneration levels for executive officers and some key management personnel, presented as Named Executive Officers (NEOs) in accordance with Form 51-102F6, are competitively set to attract and retain appropriate qualified directors, executive officers and NEOs. The Human Resources Committee makes recommendations to the Board in respect of the remuneration package and, where appropriate, seeks independent advice on remuneration policies and practices, involving the remuneration packages and terms of employment. The remuneration structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any Fringe Benefits Tax charges related to employee benefits), as well as employer contributions to superannuation funds. Where appropriate remuneration levels are reviewed annually by the Human Resources Committee.

Performance-linked remuneration

Performance-linked remuneration is designed for rewarding Directors or NEOs for their role in achieving corporate objectives and is directly linked to the creation of shareholder value. This incentive is provided under terms and conditions of Andean's share plan, the issue of incentive options or otherwise as determined from time to time by the Board.

Employment/Consulting Agreements of NEOs

Andean has entered into an employment agreement with Mr Wayne Hubert as Chief Executive Officer. A summary of the terms of the agreement follows:

- Term – Commencing 1 February 2010, and remaining in effect until terminated;
- Salary – US\$350,000 per annum;
- Mr Hubert may terminate the agreement where there is any material diminution of duties or responsibilities. In this case Mr Hubert is entitled to payment of his salary to the end of the term of the agreement plus an additional 12 month's salary;

- Mr Hubert may terminate the agreement by giving Andean one month written notice. In this instance Mr Hubert is entitled to payment of his salary up to the date of termination;
- The agreement may be terminated immediately by Andean in circumstances, including: grave misconduct or wilful neglect by Mr Hubert in the discharge of his duties; bankruptcy filing by Mr Hubert; or being convicted of an indictable offence. In this instance Mr Hubert is entitled to payment of his salary up to the date of termination; and
- The agreement can be terminated immediately by Andean for any reason. In this instance Mr Hubert is entitled to payment of his salary for the period to the end of the term of the agreement plus an additional 12 month's salary.

Andean has entered into an employment agreement with Mr Richard Leclerc as Vice President of Operations. A summary of the terms of the agreement is follows:

- Term – Commencing 1 November 2009, and remaining in effect until terminated;
- Salary – US\$250,000 per annum;
- Mr Leclerc may terminate the agreement where there is any material diminution of duties or responsibilities. In this case Mr Leclerc is entitled to payment of his salary to the end of the term of the agreement plus an additional 24 month's salary;
- Mr Leclerc may terminate the agreement by giving Andean one month written notice. In this instance Mr Leclerc is entitled to payment of his salary up to the date of termination;
- The agreement may be terminated immediately by Andean in circumstances, including: grave misconduct or wilful neglect by Mr Leclerc in the discharge of his duties; bankruptcy filing by Mr Leclerc; or being convicted of an indictable offence. In this instance Mr Leclerc is entitled to payment of his salary up to the date of termination; and
- The agreement can be terminated immediately by Andean for any reason. In this instance Mr Leclerc is entitled to payment of his salary for the period to the end of the term of the agreement plus an additional 24 month's salary.

Andean has entered into an employment agreement with Mr William Wulfange as Vice President of Exploration. A summary of the terms of the agreement is follows:

- Term – Commencing 11 December 2009, and remaining in effect until terminated;
- Salary – US\$200,000 per annum;

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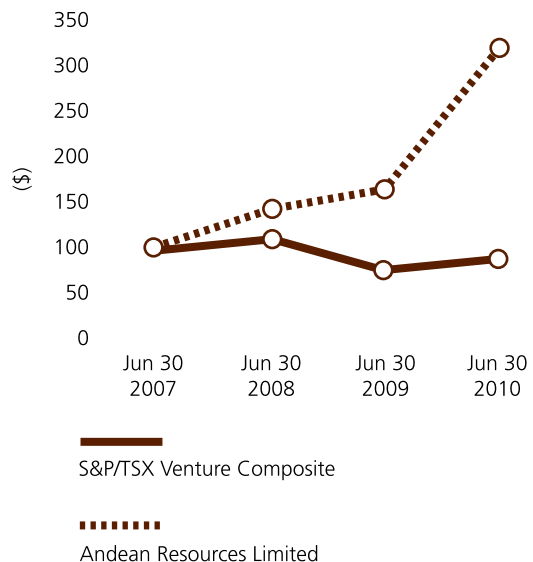
- Mr Wulftange may terminate the agreement where there is any material diminution of duties or responsibilities. In this case Mr Wulftange is entitled to payment of his salary to the end of the term of the agreement plus an additional 12 month's salary;
- Mr Wulftange may terminate the agreement by giving Andean one month written notice. In this instance Mr Wulftange is entitled to payment of his salary up to the date of termination;
- The agreement may be terminated immediately by Andean in circumstances, including: grave misconduct or wilful neglect by Mr Wulftange in the discharge of his duties; bankruptcy filing by Mr Wulftange; or being convicted of an indictable offence. In this instance Mr Wulftange is entitled to payment of his salary up to the date of termination; and
- The agreement can be terminated immediately by Andean for any reason. In this instance Mr Wulftange is entitled to payment of his salary for the period to the end of the term of the agreement plus an additional 12 month's salary.

Andean has entered into an employment agreement with Mr Heber Sheffield as Corporate Officer. A summary of the terms of the agreement is follows:

- Term – Commencing 1 February 2010, and remaining in effect until terminated;
- Salary – US\$200,000 per annum;
- Mr Sheffield may terminate the agreement where there is any material diminution of duties or responsibilities. In this case Mr Sheffield is entitled to payment of his salary to the end of the term of the agreement plus an additional 12 month's salary;
- Mr Sheffield may terminate the agreement by giving Andean one month written notice. In this instance Mr Sheffield is entitled to payment of his salary up to the date of termination;
- The agreement may be terminated immediately by Andean in circumstances, including: grave misconduct or wilful neglect by Mr Sheffield in the discharge of his duties; bankruptcy filing by Mr Sheffield; or being convicted of an indictable offence. In this instance Mr Sheffield is entitled to payment of his salary up to the date of termination; and
- The agreement can be terminated immediately by Andean for any reason. In this instance Mr Sheffield is entitled to payment of his salary for the period to the end of the term of the agreement plus an additional 12 month's salary.

Shareholder Return Performance Graph

The following graph compares the total cumulative shareholders return for C\$100 invested in common shares with the cumulative total return of the S&P/TSX Composite Index during the period commencing 30 June 2007 and ending on 30 June 2010 assuming the re-investment of all cash distribution of the Corporation on the day of distribution.



Option-based Awards

The Human Resources Committee makes recommendations to the Board for the granting of option-based awards to executive officers and NEOs. The Board approves and grants option-based awards to executive officers and NEOs. Most options vest over a 2 year period and have no further performance criteria attached. The options are issued free of charge.

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Summary Compensation

The following table, presented in accordance with NI Form 51-102F6 (**Form 51-102F6**) sets forth all direct and indirect compensation provided to Andean's Named Executive Officers, for the fiscal year ended 30 June 2010.

NEO Name	Year	Salary (A\$)	Share-Based Awards (A\$)	Option-Based Awards (A\$)	Non-Equity Incentive Plan Compensation (A\$)		Pension Value (A\$)	All Other Compensation (A\$)	Total Compensation (A\$)
					Annual Incentive Plan (A\$)	Long-term Incentive Plan (A\$)			
Wayne Hubert CEO	2010	405,742	–	–	–	–	–	207	405,949
Heber Sheffield Corporate Officer ⁽¹⁾	2010	216,744	293,969	23,905	–	–	–	197,857	732,475
Richard Leclerc VP of Operations	2010	–	872,360	–	–	–	–	233,562	1,105,922
William Wulftange VP of Exploration	2010	131,812	348,444	–	–	–	–	207	480,463

(1) Mr Sheffield acted as Chief Financial Officer of the Corporation for the year ended 30 June 2010. Mr Sheffield no longer serves as Chief Financial Officer of Andean and currently serves as a Corporate Officer.

Incentive Plan Awards

At Andean's 2007 Annual General Meeting held on 29 November 2007, shareholders approved the implementation of the ESOP. The plan allows for compensation to Executive Officers and NEOs pursuant to achieving certain performance goals linked to the creation of shareholder value or similar conditions within a specified period.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of Andean at the end of the most recently completed financial year, including awards granted before the more recently completed financial year, to each of the Executive Officers and NEOs.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (A\$)	Option Expiration Date	Option-Based Awards		Share-Based Awards	
				Value of Unexercised In-the-Money Options ⁽¹⁾ (A\$)		Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout value of Share-Based Awards That Have Not Vested ⁽²⁾ (A\$)
Wayne Hubert	5,000,000	.30	30 September 2010	15,350,000		–	–
Heber Sheffield	2,000,000	.70	14 July 2011	5,340,000		14,125	47,601
Richard Leclerc	–	–	–	–		536,771	1,808,918
William Wulftange	–	–	–	–		322,751	1,087,671

(1) This amount is calculated based on the difference between the ASX market value of the securities underlying the options at the end of the most recently completed financial year, which is A\$3.37, and the exercise or base price of the option.

(2) This amount is calculated based on the ASX market value of the securities underlying the award at the end of the most recently completed financial year, which is A\$3.37.

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Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of all share-based awards and stock options that vested during the financial year ended 30 June 2010, for each of the Executive Officers and NEOs. There were no non-equity incentive plan compensation amounts.

NEO Name	Option-based awards Value on Date Vested ⁽¹⁾ (A\$)	Share-based awards Value on Date Vested ⁽²⁾ (A\$)
Wayne Hubert	–	–
Heber Sheffield	1,060,000	241,282
Richard Leclerc	–	123,918
William Wulftange	–	76,668

(1) The value of unexercised in-the-money options on date vested is based on the number of options that became vested on the applicable date and is calculated on the difference between the market value of the common shares on the ASX as at the date of vesting and the exercise price of the option.

(2) The value of share-base awards vested during the year is calculated by multiplying the number of vested shares by the market value on the ASX of the underlying share on the vesting date.

Pension Plan Benefits

Andean does not have any form of pension plan that provides for payments or benefits to the Executive Officers and NEOs at, following, or in connection with retirement. Andean does not have any form of deferred compensation plan.

Termination and Change of Control Benefits

Except as disclosed above under “Employment/Consulting Agreements of NEOs”, Andean and its subsidiaries have no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change in control of Andean, or change in a Named Executive Officer's responsibilities.

Director Compensation

The following table sets forth all amounts of compensation provided to the Directors, who are each not also a Named Executive Officer, for Andean's most recently completed financial year:

	Fees Earned (A\$)	Share-Based Awards (A\$)	Option-Based Awards (A\$)	Non-Equity Incentive Plan Compensation (A\$)	Pension Value (A\$)	All Other Compensation (A\$)	Total (A\$)
Directors							
Ian Hume	56,535	15,555	–	–	1,875	30,000	103,965
Barry Bolitho	55,833	15,555	–	–	–	7,500	78,888
Richard Lorson	55,833	15,555	–	–	–	–	71,388
Charles Winograd	15,290	–	–	–	–	–	15,290
Louis Gignac	84,620	661,805	–	–	–	–	746,425
Former Directors							
Patrick Esnouf ⁽¹⁾	21,205	–	–	–	–	–	21,205
Morrice Cordiner ⁽¹⁾	20,829	–	–	–	–	98,334	119,163
Warren Gilmour ⁽¹⁾	17,500	–	–	–	1,875	237,918	257,293

(1) Resigned as a Director in November 2009.

Annexure J: Notice of Annual General Meeting

Except as indicated above, the Directors did not receive any remuneration during the year ended 30 June 2010.

The Directors are paid as follows on an annual basis:

- A base fee of A\$60,000 per annum was payable to all non-executive Directors.
- A base fee of A\$90,000 per annum was payable to the Chairman of the Board.
- Committee chair fees are payable as follows: Audit Committee chair fee of A\$12,000, Human Resources Committee chair fee of A\$7,000 and any other committee chair fee of A\$5,000.

The Board reviews Directors' compensation on a regular basis. The Board takes into account the types of compensation and the amounts paid to the directors of comparable publicly traded Canadian and Australian companies.

Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards

At Andean's 2009 Annual General Meeting held on 26 November 2010, shareholders approved the award to Directors of performance rights for fully paid Company common shares equivalent to A\$240,000 for each Director, with such performance rights to be issued as follows: A\$80,000 worth of performance rights on each of 30 November 2009, 30 November 2010, and 30 November 2011.

The performance rights will vest on the third anniversary of each issue, subject to satisfaction of a performance hurdle. The performance hurdle relates to a comparison of Andean's share performance against that of its peer group and will be satisfied if Andean's three year annualised relative share price change equals or outperforms the weighted average share price change of the S&P/TSX Global Gold Index (Index) for the same period.

A four year "catch up" period will apply in respect of each tranche if the performance hurdle is not satisfied on the relevant vesting date. The "catch up" periods apply in respect of each tranche as follows:

	Issue Date	Vesting Date	"Catch up" Period
Tranche 1	30 November 2009	30 November 2012	1 Dec 2012 – 30 Nov 2016
Tranche 2	30 November 2010	30 November 2013	1 Dec 2013 – 30 Nov 2017
Tranche 3	30 November 2011	30 November 2014	1 Dec 2014 – 30 Nov 2018

During the relevant "catch up" period, the rights will be subject to an annual cumulative share price change test relative to the Index. If, over the period for which the rights have been outstanding, Andean's share price change is greater than the Index on a cumulative basis, the rights will vest. This test will be completed on an annual basis until November 2018. If the rights have not vested by November 2018, they will lapse.

On satisfaction of the performance hurdle, shares will be issued. The notional per share issue price of the shares will be calculated by reference to the average price of the Company's shares on ASX in the five trading days prior to issue.

If a Director retires or is removed (other than for gross misconduct), rights already issued to you will vest in the ordinary course (including under the "catch up" provisions). However, you will not be eligible for any additional rights which would have been issued and accrued in the years following retirement or removal.

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Directors who are not Named Executive Officers. There are no share-based awards that did not vest prior the financial year ended 30 June 2010:

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Director Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (A\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (A\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout value of Share-Based Awards That Have Not Vested ⁽²⁾ (A\$)
Directors						
Ian Hume	–	–	–	–	–	–
Barry Bolitho	1,000,000	.30	30 September 2010	3,370,000	–	–
Richard Lorson	1,042,500	.40	30 June 2011	3,096,225	–	–
Charles Winograd	–	–	–	–	–	–
Louis Gignac	–	–	–	–	166,667	561,668
Former Directors						
Patrick Esnouf ⁽³⁾	–	–	–	–	–	–
Morrice Cordiner ⁽³⁾	–	–	–	–	–	–
Warren Gilmour ⁽³⁾	–	–	–	–	–	–

(1) This amount is calculated based on the difference between the market value of the securities underlying the options at the end of the most recently completed financial year, which is A\$1.74, and the exercise or base price of the option.

(2) This amount is calculated based on the market value of the securities underlying the award at the end of the most recently completed financial year, which is A\$1.74.

(3) Resigned in November 2009.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of all share-based awards and stock options that vested during the financial year ended 30 June 2010, for each of the Directors for the option-based awards during the financial year ended 30 June 2010. There were no non-equity incentive plan compensation amounts.

Director Name	Option-based awards Value on Date Vested ⁽¹⁾ (A\$)	Share-based awards Value on Date Vested ⁽²⁾ (A\$)
Directors		
Ian Hume	–	–
Barry Bolitho	–	–
Richard Lorson	–	–
Charles Winograd	–	–
Louis Gignac	–	224,999
Former Directors		
Patrick Esnouf ⁽³⁾	–	–
Morrice Cordiner ⁽³⁾	–	–
Warren Gilmour ⁽³⁾	–	–

(1) The value of unexercised in-the-money options on date vested is based on the number of options that became vested on the applicable date and is calculated on the difference between the market value of the common shares on the ASX as at the date of vesting and the exercise price of the option.

(2) The value of share-base awards vested during the year is calculated by multiplying the number of vested shares on the ASX by the market value of the underlying share on the vesting date.

(3) Resigned in November 2009.

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Indebtedness of Directors and Executive Officers

As of the date of this AGM Explanatory Statement and Management Information Circular, no Director, executive officer or other senior officer of Andean, or any associate of any such Director or officer, is, or has been at any time since the incorporation of Andean, indebted to Andean or any of its subsidiaries nor is, or at any time since the incorporation of Andean has, any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Andean or any of its subsidiaries.

Audit Committee

For information on Andean's Audit Committee, please refer to Andean's Annual Information Form for the year ended 30 June 2010 (AIF), dated 28 September 2010 under the heading "Audit Committee", including a copy of the Audit Committee Charter which is attached to the AIF as Appendix A. The AIF is available under Andean's profile at sedar.com.

Corporate Governance

Effective 30 June 2006, the securities regulatory authorities in Canada adopted national Instrument 58-101-Disclosure of Corporate Governance Practices (NI-58-101) and National Policy 58-201 Corporate Governance Guidelines (NP-58-201). NP-58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Andean considers good corporate governance to be central to the effective and efficient operation of its business and is committed to implementing high standards of corporate governance and reporting. The Board reviews and formulates policies with respect to corporate governance issues. Andean attempts, so far as is practical and reasonable, given the nature of Andean's business and available resources, to seek to adhere to the guidelines outlined in NP 58-201.

In addition, Andean can provide the following summary of its corporate governance policies:

Board of Directors

Independence of Board

Currently five Directors being Barry Bolitho, Ian Hume, Louis Gignac, Richard Lorson and Charles Winograd are independent Directors of Andean. Wayne Hubert is the Chief Executive Officer and a non-independent Director of Andean. At the conclusion of each regularly scheduled meeting of the Andean Board, the independent directors hold a meeting at which the non-independent director and members of management are not in attendance. Since the beginning of Andean's most recently completed financial year, the independent directors held five such meetings.

Directorships

Mr Bolitho is a director of Matilda Minerals Ltd., Jabiru Metals Ltd. and Sub-Sahara Resources NL. Mr Hume is a director of Golden Minerals Co., Iron Road Ltd. and Norsemont Mining Inc. Mr Gignac is a director of Gaz Metropolitan Inc., St. Andrews Goldfields, Domtar Corp. and Franco-Nevada Corporation. Mr Winograd is a director of RioCan Real Estate Investment Trust, Talisman Energy, RBC Dexia, Tamir Fishman (Israel), Mount Sinai Hospital, Winograd Capital Inc. and James Richardson & Sons, Limited.

Chairman

Mr Gignac is chairman of the Board and is an independent Director. As chairman of the Board, Mr Gignac is responsible for, among other things, chairing all meetings of the Board in a manner that promotes meaningful discussion; providing leadership to the Board to enhance the Board's effectiveness; acting as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner, including working with the Corporate Governance and Nominating Committee to ensure that Andean is building a healthy governance culture; and at the request of the Board, representing Andean to external groups such as shareholders and other stakeholders, including community groups and governments.

Annexure J: Notice of Annual General Meeting

Attendance

Director Name	Board Meetings	Audit Committee	Nomination and Governance Committee	Human Resources Committee
Directors				
Barry Bolitho	8	1	1	3
Wayne Hubert	8	–	–	–
Ian Hume	9	2	1	3
Louis Gignac	7	3	1	3
Richard Lorson	7	3	1	2
Charles Winograd ⁽¹⁾	2	1	–	1
Former Directors				
Patrick Esnouf ⁽²⁾	5	–	–	1
Morrice Cordiner ⁽²⁾	5	–	–	–
Warren Gilmour ⁽²⁾	6	–	–	1

(1) Joined the Board in April 2010.

(2) Resigned as a Director in November 2009.

Board Mandate

The role of the Board is to act in the best interest of Andean by, among other things, promoting and protecting the rights and interests of Andean's shareholders and other stakeholders and ensuring Andean's affairs are properly managed. In this regard, the Board reviews, approves and provides guidance on key corporate matters, including the strategic business planning process and certain operations decision such as acquisitions and dispositions, operating and capital budgets, major financings, significant policy decisions, the performance and compensation of senior management and the financial statements. The Board evaluates the effectiveness of Andean's executive officers and management in fulfilling their respective duties. The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Human Resources Committee and the Nomination & Governance Committee. Meetings of the Board of Directors also include meetings of the independent members of the Board without management being present. The members of the Board should endeavour to avoid conflicts between their own personal interests and those of Andean, and, where conflicts exist, to fully disclose such conflicts to the Board and refrain from participating in decisions relating to the subject matter of such conflicts.

Position Descriptions

Written position descriptions have been developed by the Board for the Chairman of the Board, the Chair of each of the committees of the Board, the Chief Executive Officer of Andean and the Chief Financial Officer of Andean. These position descriptions have been reviewed by the Governance and Nominating Committee and approved by the Board.

Orientation and Continuing Education

In accordance with Andean's policies on education and orientation for new Directors, the Nomination & Governance Committee is responsible for ensuring that new Directors are provided with written information about the duties and obligations of Directors and the business and operations of Andean. New Directors are also provided with documents from recent Board meetings and opportunities for meetings and discussion with the Company's senior management and other Directors. Directors are expected to attend all scheduled Board and committee meetings. Attendance by telephone is permissible in appropriate circumstances. Directors are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognises the importance of ongoing Director education and the need for each Director to take personal responsibility for this process. To facilitate ongoing education of Andean's Directors, the Board may: (a) periodically canvas the Directors to determine their training and education needs and interests; (b) arrange ongoing visitation by Directors to the Company's facilities and operations; and (c) encourage and facilitate presentations by outside experts to the Board or committees on matters of particular importance or emerging significance.

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Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics for the Directors, officers and employees (the **Code**). The Code is available from Andean's website (andean.com.au) or may be obtained by contacting the Company directly.

Andean is committed to compliance with all applicable laws, rules and regulations in every jurisdiction in which it does business. All employees, officers and Directors are expected to adhere to the standards and restrictions imposed by those laws, rules and regulations. Each Director, officer and employee of Andean is provided with a copy of this Code and is required to sign an acknowledgement.

This Code and Andean's Whistleblowing Policy contain the rules that all Andean employees, officers and Directors must follow when reporting a violation of this Code or any other questionable event. The Company encourages its Directors, officers and employees to ask questions or to verify whether some activity or planned activity is in compliance with the Code. Concerns and violations of the Code should be reported to the employee's supervisor, or concerns may be reported to the designated Employee Alert Officer, the Chief Financial Officer and/or the Chairman of the Audit Committee in accordance with the procedures set out in the Whistleblowing Policy. As set out in the Whistleblowing Policy, these reports may be made anonymously.

Directors, officers and employees must always act in the best interests of Andean and safeguard Andean from any conflict of interest or even the appearance of a conflict of interest. Directors, officers and employees must avoid financial or other relationships that might be adverse to the interest of Andean, produce conflicting loyalties, interfere with effective job performance or even appear to do so. Officers and Directors should disclose, in writing, any perceived conflicts to the Chairman of the Audit Committee. Directors, officer and employees must not compete with Andean or even appear to be influenced by personal interests, including those of relatives, friends or others with whom they may have contact. Directors, officers and employees shall not acquire any property, security or any business interest which they know that Andean is interested in acquiring.

Nomination of Directors

The Board's Nomination and Governance Committee is composed entirely of independent Directors. The Board identifies new candidates for Board nomination through internal discussion and external inquiries with appropriate outside advisors and entities. The primary functions of the Nomination & Governance Committee is to assist the Board to assess and improve Andean's governance practices; review

Director independence status and make recommendations for the appointment and removal of Directors to the Board; orient new Directors; review and make recommendations on the compensation framework for Directors; and assess the effectiveness of the Board as a whole as well as discuss the contribution of individual members.

Compensation

The Board's Human Resources Committee is composed entirely of independent Directors. It is the Human Resources Committee's responsibility to recommend to the Board Company-wide compensation and incentive policies and the compensation packages of senior management; oversee the recruitment, retention and termination policies for senior management; and administer Andean's equity plans. The Human Resources Committee assists the Board in determining the compensation for Andean's Directors and officers by commissioning compensation reports from and discussion remuneration issues with outside consultants. The results of these reports and discussions are thoroughly reviewed and discussed by the committee, which makes recommendations to the Board for approval.

Other Board Committees

The Board has the following standing committees:

- the Audit Committee;
- the Nominating and Governance Committee; and
- the Human Resources Committee

Assessments

The Board is committed to regular assessments of the effectiveness of the Board, the Chairman of the Board, the committees of the Board and the individual directors. The Nomination & Governance Committee reviews and makes recommendations to the Board regarding evaluations of the Board, the Chairman of the Board, the committees of the Board and the individual Directors. The Chairman of the Board holds discussions individually with each Director about the operations of the Board, the performance of each Director and the performance of the Directors as a group. The results of these discussions are reviewed by the Nomination & Governance Committee and the recommendations of the committee are discussed in detail at a meeting of the Board.

Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a Director or executive officer of Andean at any time since the beginning of Andean's last financial year, no proposed nominee for election as a Director of Andean, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in the matters to be

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acted upon at the Annual General Meeting other than the election of Directors, the approval of the New ESOP and the approval of the issuance of Shares and Options to the Directors.

Interest of Informed Persons in Material Transactions

Other than as disclosed in the Scheme Booklet, since the commencement of Andean's most recently completed financial year there were no transactions and there are no proposed transactions that has materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company, or any proposed Director of Andean or any associate or affiliate of any informed person, or any proposed director of Andean has any material interest (direct or indirect).

Additional Information

Financial information is provided in Andean's annual audited financial statements and any interim financial statements submitted subsequent to the filing of the most recent annual financial statements and the Management's Discussion and Analysis (MD&A) included in those statements. Copies of Andean's financial statements and related MD&A are available upon request from the Company's Corporate Secretary as well as on the Company's website. Additional information relating to the Company is also available on SEDAR at sedar.com.

New Employee Share Ownership Plan

ANDEAN RESOURCES LIMITED
2010 OMNIBUS SHARE INCENTIVE PLAN

1. Purposes of the Plan.

The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. Definitions.

The following definitions shall apply as used herein and in the individual Award Agreements except as defined otherwise in an individual Award Agreement. In the event a term is separately defined in an individual Award Agreement, such definition shall supersede the definition contained in this Section 2.

- (a) "Affiliate" means an affiliated body corporate of the Company within the meaning of subsection 2(2) of the Canada Business Corporations Act whose board of directors has adopted a resolution consenting to participate in the Plan.
- (b) "Associate" has the meaning given to it in the Securities Act (Ontario) as amended from time to time.

- (c) "Assumed" means that pursuant to a Corporate Transaction or an Affiliate disposition either (i) the Award is expressly affirmed by the Company or (ii) the contractual obligations represented by the Award are expressly assumed (and not simply by operation of law) by a non-Australian successor entity in connection with the Corporate Transaction or Affiliate disposition with appropriate adjustments to the number and type of securities of the non-Australian successor entity subject to the Award and the exercise or purchase price thereof which at least preserves the compensation element of the Award existing at the time of the Corporate Transaction or Affiliate disposition as determined in accordance with the instruments evidencing the agreement to assume the Award.
- (d) "ASX" means the Australian Securities Exchange or ASX Limited ACN 008 624 691.
- (e) "ASX Listing Rules" means the official listing rules of the ASX.
- (f) "Award" means the grant of an Option, SAR, Dividend Equivalent Right, Restricted Share, Restricted Share Unit or other right or benefit under the Plan.
- (g) "Award Agreement" means a written document by which each Award is evidenced.
- (h) "Board" means the Board of Directors of the Company.
- (i) "Cause" means, with respect to the termination by the Company or an Affiliate of the Grantee's Continuous Service, that such termination is for "Cause" as such term (or word of like import) is expressly defined in a then-effective written agreement between the Grantee and the Company or such Affiliate, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee's: (i) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or an Affiliate; (ii) dishonesty, intentional misconduct or material breach of any agreement with the Company or an Affiliate; or (iii) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person.
- (j) "Change in Control" means a change in ownership or control of the Company effected through either of the following transactions:
 - (i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of securities possessing more than fifty percent (50%)

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of the total combined voting power of the Company's outstanding securities pursuant to a takeover or exchange offer made directly to the Company's shareholders which a majority of the Directors who are not Affiliates or Associates of the offeror do not recommend such shareholders accept, or

(ii) a change in the composition of the Board such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(k) "Committee" means any committee composed of members of the Board appointed by the Board to administer the Plan.

(l) "Company" means Andean Resources Limited ACN 064 494 319, or any successor entity that adopts the Plan in connection with a Corporate Transaction.

(m) "Constitution" means the constitution of the Company.

(n) "Consultant" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Affiliate to render consulting or advisory services to the Company or such Affiliate.

(o) "Continuous Service" means that the provision of services to the Company or an Affiliate in any capacity of Employee, Director or Consultant is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or an Affiliate notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under any applicable laws. A Grantee's Continuous Service shall be deemed to have terminated upon an actual termination of Continuous Service. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Affiliate, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or an Affiliate in any capacity of Employee, Director or Consultant. Notwithstanding the foregoing, except as otherwise determined by the Administrator, in the event of any spin-off of an Affiliate, service as an Employee, Director or Consultant for such Affiliate following such spin-off shall be deemed to be Continuous Service for purposes of the Plan and any Award under the Plan.

(p) "Corporate Transaction" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(i) a scheme of arrangement between the Company and its creditors, members or any class of its members or creditors in accordance with the Corporations Act, in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Company is incorporated;

(ii) a takeover bid or other offer to acquire more than fifty percent (50%) of the voting securities of the Company;

(iii) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(iv) the complete liquidation or dissolution of the Company;

(v) the acquisition in a single or series of related transactions by any person or a group of associated persons (other than the Company or by a Company-sponsored employee benefit plan) obtaining a relevant interest in more than fifty percent (50%) of the Shares but excluding any such transaction or series of related transactions that the Board determines shall not be a Corporate Transaction; or

(vi) any transaction comparable to those described in sub-paragraphs (i) to (v).

(q) "Corporations Act" means the Corporations Act 2001 (Cth).

(r) "Director" means a member of the Board or the board of directors of any Affiliate.

(s) "Disability" means as defined under the long-term disability policy of the Company or the Affiliate to which the Grantee provides services regardless of whether the Grantee is covered by such policy. If the Company or the Affiliate to which the Grantee provides service does not have a long-term disability plan in place, "Disability" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Grantee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(t) "Dividend Equivalent Right" means a right entitling the Grantee to compensation measured by dividends paid with respect to Shares.

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- (u) "Employee" means any person, including an Officer or Director, who is in the employ of the Company or any Affiliate, subject to the control and direction of the Company or any Affiliate as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or an Affiliate shall not be sufficient to constitute "employment" by the Company.
- (v) "Fair Market Value" of a Share on a particular date means:
- (i) the closing price per Share on the TSX of the Shares; or
 - (ii) if the Shares are no longer listed on the TSX as of such date, the closing price per share on the ASX of the Shares; or
 - (iii) if the Shares are no longer listed on the ASX as of such date, the fair market value of the Shares determined at the Company's expense by an appropriately qualified independent valuation expert designated by the Committee in accordance with Ontario Securities Commission Rule 61-501, Part 6 mutatis mutandis, as amended from time to time.
- (w) "Grantee" means an Employee, Director or Consultant who receives an Award under the Plan.
- (x) "Grant Date" means the date on which an Award is made to a Participant under the Plan.
- (y) "Insider" means: (i) an insider of the Company as defined in the Securities Act (Ontario) as amended from time to time, other than a person who fall within such definition solely by virtue of being a Director or senior officer of the Company, and (ii) an Associate of any person who is an insider by virtue of clause (i) of this definition.
- (z) "Option" means an option to subscribe for Shares pursuant to an Award granted under the Plan.
- (aa) "Option Agreement" means a written document by which each Option is evidenced.
- (bb) "Plan" means this 2010 Omnibus Share Incentive Plan.
- (cc) "Restricted Shares" means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer and other terms and conditions as established by the Plan and the Award and as permitted by the Corporations Act and Constitution.
- (dd) "Restricted Share Units" means an Award which may be earned in whole or in part upon the passage of time or the attainment of performance criteria established by the Plan and the Award and which is settled for shares of the Company.
- (ee) "Rights Issue" means an offer or invitation by the Company to the holders of Shares (on a pro rata basis) to subscribe for Shares, convertible notes or other securities of the Company (whether by way of renounceable or non-renounceable rights or otherwise) but does not include an offer or invitation in the nature of a dividend.
- (ff) "SAR" means a share appreciation right entitling the Grantee to Shares, measured by the appreciation in the value of Shares.
- (gg) "Share" means an ordinary share in the capital of the Company.
- (hh) "Termination" means the date on which a Participant ceases to be an Employee of the Company or an Affiliate for any reason other than transfer to the employment of another Affiliate or the Company, provided, however, that there will be a cessation of employment with respect to an employee of an Affiliate where such Affiliate ceases to be an Affiliate.
- (ii) "TSX" means Toronto Stock Exchange.

3. Shares Subject to the Plan.

- (a) Aggregate Award Limitation. Subject to the provisions of Section 10, below, the maximum aggregate number of shares which may be issued pursuant to all Awards may not exceed 5% of the number of shares then outstanding at the time of the contemplated award. SARs payable in Shares shall reduce the maximum aggregate number of Shares which may be issued under the Plan only by the net number of actual Shares issued to the Grantee upon exercise of the SAR.
- (b) Awards to Australian Residents. The Company may not grant any Awards or procure the issue of any Shares to Australian residents under this Plan if, immediately following the issue or grant, the aggregate of the total number of:
- (i) unissued Shares over which Options and other Awards (which remain outstanding) have been granted to Australian residents under this Plan and any other employee incentive scheme of the Company; and
 - (ii) Shares issued during the preceding five years to Australian residents under this Plan and any other employee incentive scheme of the Company,
- would exceed 5% of the number of Shares on issue at the time of the proposed issue or grant.
- (c) Award Calculation. Any Shares covered by an Award (or portion of an Award) which is forfeited, cancelled or expires (whether voluntarily or involuntarily) shall be deemed not to have been issued for purposes of determining the maximum aggregate number of Shares

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which may be issued under the Plan. Shares that actually have been issued under the Plan pursuant to an Award will be counted towards the maximum aggregate number of Shares which may be issued under the Plan, except that if unvested Shares are forfeited or cancelled in accordance with the Constitution and Corporations Act, such number of Shares shall become available for future grant under the Plan.

4. Administration of the Plan.

- (a) The Plan shall be administered by the Board.
- (b) The Board is authorised to:
 - (i) delegate to any person (including without limitation, a Committee of the Board) for the period and on the terms it decides, the exercise of any of its powers or discretions under the Plan;
 - (ii) decide on appropriate procedures for administering the Plan, including the form of application and other forms and notices to be issued under the Plan;
 - (iii) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Shares issued under the Plan;
 - (iv) engage specialist service providers for the operation and maintenance of the Plan;
 - (v) ensure a complete register of Participants is maintained to facilitate efficient management and administration of the Plan and to comply with regulatory reporting requirements; and
 - (vi) waive any breach of a provision of the Plan.
- (c) Neither a person or Committee so designated by the Board, nor any officer or Employee of the Company, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and any persons or Committee so designated and the officers and Employees of the Company shall be entitled to indemnification by the Company in respect of any claim, loss, damage or expense (including legal fees and disbursements) arising therefrom to the fullest extent permitted by law.
- (d) A decision of the Board or other such person, as designated in Section 4(b) as to the interpretation, affect or application of these Rules will be final and conclusive.

5. Eligibility.

Awards may be granted to Employees, Directors and Consultants. An Employee, Director or Consultant who has been granted an Award may, if otherwise eligible, be granted additional Awards.

6. Terms and Conditions of Awards.

- (a) Types of Awards. The Administrator is authorised under the Plan to award any type of arrangement to an Employee, Director or Consultant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of (i) Shares, or (ii) an Option, a SAR, or similar right with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions. Such awards include, without limitation, Options, SARs, Restricted Share, Restricted Share Units or Dividend Equivalent Rights, and an Award may consist of one such security or benefit, or two (2) or more of them in any combination or alternative.
- (b) Designation of Award. Each Award shall be designated as to type as of the Grant Date.
- (c) Conditions of Award. Subject to the terms of the Plan, the Board shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, forfeiture provisions, payment contingencies, and satisfaction of any performance criteria. Performance criteria and the time by which the condition or conditions must be achieved are established by the Board may be based on any one of, or combination of, factors that the Board deems relevant to the award. The performance criteria may be applicable to the Company or its Affiliates and/or any individual business units of the Company. Partial achievement of the specified criteria may result in vesting corresponding to the degree of achievement as specified in the Award. In addition, the performance criteria shall be calculated in accordance with generally accepted accounting principles, but excluding the effect (whether positive or negative) of any change in accounting standards and any extraordinary, unusual or nonrecurring item, as determined by the Board, occurring after the establishment of the performance criteria applicable to the performance-based Award. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of performance criteria to prevent the dilution or enlargement of the Grantee's rights with respect to a performance-based Award.
- (d) Acquisitions and Other Transactions. The Board may issue Awards under the Plan in settlement or substitution or other comparable transaction for outstanding awards or obligations to grant future awards in connection with a corporate transaction whether by merger, share purchase, asset purchase or other form of transaction.

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- (e) Deferral of Award Payment. The Board may establish one or more programs under the Plan to permit selected Grantees the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of performance criteria, or other event that absent the election would entitle the Grantee to payment or receipt of Shares or other consideration under an Award. The Board may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Board deems advisable for the administration of any such deferral program.
- (f) Separate Programs. The Board may establish one or more separate programs under the Plan for the purpose of issuing particular forms of Awards to one or more classes of Grantees on such terms and conditions as determined by the Board from time to time.
- (g) Individual Limitations on Awards. Subject to all applicable laws, including the ASX Listing Rules and Corporations Act:
- (i) Individual Limit for Options and SARs. The maximum number of Shares with respect to which Options and SARs may be granted to any Grantee in any calendar year shall not exceed 5% of the Company's Shares then outstanding. The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalisation pursuant to Section 10 below. For this purpose, the repricing of an Option (or in the case of a SAR, the base amount on which the share appreciation is calculated is reduced to reflect a reduction in the Fair Market Value of the Shares) shall be treated as the cancellation of the existing Option or SAR and the grant of a new Option or SAR.
 - (ii) Individual Limit for Restricted Share and Restricted Share Units. The maximum number of Shares with respect to which such Awards may be granted to any non-Australian resident Grantee in any calendar year shall not exceed 5% of the Company's Shares then outstanding. The maximum number of Shares with respect to which such Awards may be granted to any Australian-resident Grantee will be determined by the limitation set forth in Section 3(b) above. The foregoing limitation shall be adjusted proportionately in connection with any change in the Company's capitalisation pursuant to Section 10 below.
 - (iii) Limits with Respect to Insiders. The maximum number of shares with respect to which Awards may be granted shall not exceed 5% of the Shares then outstanding.
- (h) Deferral. If the vesting or receipt of Shares under an Award is deferred to a later date, any amount (whether denominated in Shares or cash) paid in addition to the original number of Shares subject to such Award will not be treated as an increase in the number of Shares subject to the Award if the additional amount is based either on a reasonable rate of interest or on one or more predetermined actual investments such that the amount payable by the Company at the later date will be based on the actual rate of return of a specific investment (including any decrease as well as any increase in the value of an investment).
- (i) Term of Award. The term of each Award shall be the term stated in the Award Agreement, and such term cannot exceed 10 years. Notwithstanding the foregoing, the specified term of any Award shall not include any period for which the Grantee has elected to defer the receipt of the Shares or cash issuable pursuant to the Award.
 - (j) Transferability of Awards. Awards shall be transferable
 - (i) by will and by the laws of descent and distribution and
 - (ii) during the lifetime of the Grantee, to the extent and in the manner authorised by the Board but only to the extent such transfers are made to family members, to family trusts, to family controlled entities, to charitable organisations and pursuant to domestic relations orders or agreements, in all cases without payment for such transfers to the Grantee. Notwithstanding the foregoing, the Grantee may designate one or more beneficiaries of the Grantee's Award in the event of the Grantee's death on a beneficiary designation form provided by the Board.
 - (k) Time of Granting Awards. The Grant Date of an Award shall for all purposes be the date on which the Board makes the determination to grant such Award, or such other date as is determined by the Board.
- ### 7. Award Exercise or Purchase Price, Consideration and Taxes.
- (a) Exercise or Purchase Price. The exercise or purchase price, if any, for an Award shall be as follows:
 - (i) In the case of an Option, the per Share exercise price shall be not less than one hundred percent (100%) of the Fair Market Value per Share on the Grant Date.
 - (ii) In the case of SARs, the base appreciation amount shall not be less than one hundred percent (100%) of the Fair Market Value per Share on the Grant Date.
- In the case of other Awards, such price as is determined by the Board.

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(iii) Notwithstanding the foregoing provisions of this Section 7(a), in the case of an Award issued pursuant to Section 6(d), above, the exercise or purchase price for the Award shall be determined in accordance with the provisions of the relevant instrument evidencing the agreement to issue such Award.

(b) Consideration. Subject to all applicable laws, including the ASX Listing Rules and the rules and regulations of the TSX, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Award, including the method of payment, shall be determined by the Board. In addition to any other types of consideration the Board may determine, the Board is authorised to accept as consideration for Shares issued under the Plan the following:

- (i) cash;
- (ii) cheque;
- (iii) with respect to Options, payment through a broker-dealer sale and remittance procedure pursuant to which the Grantee (A) shall provide written instructions to an authorised brokerage firm to effect the immediate sale of some or all of the issued Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the issued Shares and (B) shall provide written directives to the Company to deliver the certificates or holding statements (as applicable) for the issued Shares directly to such brokerage firm in order to complete the sale transaction;
- (iv) any other lawful means of payment and consideration; or
- (v) any combination of the foregoing methods of payment.

The Board may at any time grant Awards which do not permit all of the foregoing forms of consideration to be used in payment for the Shares or which otherwise restrict one or more forms of consideration.

(c) Taxes. No Shares shall be delivered under the Plan to any Grantee or other person until such Grantee or other person has made arrangements acceptable to the Board for the satisfaction of any income and employment tax withholding obligations imposed by the jurisdiction of which the Grantee is a tax resident, including, without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award the Company shall withhold or collect from the Grantee an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of the whole number of Shares covered by the Award sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of an Award.

8. Exercise of Award.

(a) Procedure for Exercise; Rights as a Shareholder.

- (i) Any Award granted hereunder shall be exercisable at such times and under such conditions as determined by the Board under the terms of the Plan and specified in the Award Agreement.
- (ii) An Award shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Award by the person entitled to exercise the Award and full payment for the Shares with respect to which the Award is exercised has been made, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iii).

(b) Exercise of Award Following Termination of Continuous Service.

- (i) An Award may not be exercised after the termination date of such Award and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided by the Award Agreement.
- (ii) Where terms of the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

9. Conditions Upon Issuance of Shares.

- (a) If at any time the Board determines that the delivery of Shares pursuant to the exercise, vesting or any other provision of an Award is or may be unlawful, the vesting or right to exercise an Award or to otherwise receive Shares pursuant to the terms of an Award shall be suspended until the Board determines that such delivery is lawful and shall be further subject to the approval of counsel for the Company with respect to such compliance.
- (b) As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

10. Adjustments Upon Changes in Capitalisation.

- (a) Reconstructions. Subject to any required action by the Board or shareholders of the Company and compliance with all applicable laws, in the event of any reconstruction

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of the issued capital of the Company (including a consolidation, a subdivision, a reduction, return or cancellation of capital or similar change in the capital structure of the Company without consideration), then (i) the number of Options and exercise price of each Option must be amended by the Board to the extent necessary to comply with the ASX Listing Rules at the time of the reconstruction; and (ii) any Shares acquired under the Plan must be affected in the same way as other Shares.

- (b) Bonus issues. If the Company makes a bonus issue of Shares or other securities to the existing shareholders of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares which will be issued on exercise of each unexercised Option will be increased by the number of Shares or other securities which the Grantee would have received if the Option had been exercised before the record date for the bonus issue.
- (c) Rights issues. If the Company has a Rights Issue, the exercise price of each unexercised Option will be adjusted in accordance with the formula for adjustment set out in the ASX Listing Rules.
- (d) New issues. Options do not carry the right to participate in any new issues of securities by the Company, including pro rata issues.
- (e) Other. In connection with the foregoing adjustments, the Board may, in its discretion, prohibit the exercise of Awards or other issuance of Shares, cash or other consideration pursuant to Awards during certain periods of time. Except as set out in this Section 10, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Award.

11. Corporate Transactions and Changes in Control.

- (a) Termination of Award to Extent Not Assumed.
 - (i) Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Awards under the Plan shall terminate. However, all such Awards shall not terminate to the extent they are Assumed in connection with the Corporate Transaction.
 - (ii) Affiliate Disposition. Effective upon the consummation of an Affiliate disposition, for purposes of the Plan and all Awards, there shall be a deemed termination of Continuous Service of each Grantee who is at the time engaged primarily in service to the Affiliate involved in such disposition and each Award of such Grantee

which is at the time outstanding under the Plan shall be exercisable in accordance with the terms of the Award. However, such Continuous Service shall not be deemed to terminate as to the portion of any such award that is Assumed.

- (b) Acceleration of Award Upon Corporate Transaction, Affiliate Disposition or Change in Control. The Board shall have the authority, exercisable either in advance of any actual or anticipated Corporate Transaction, Affiliate disposition or Change in Control or at the time of an actual Corporate Transaction, Affiliate disposition or Change in Control and exercisable at the time of the grant of an Award under the Plan or any time while an Award remains outstanding, to provide for the full or partial automatic vesting and exercisability of one or more outstanding unvested Awards under the Plan and the release from restrictions on transfer or forfeiture rights of such Awards in connection with a Corporate Transaction, Affiliate disposition or Change in Control, on such terms and conditions as the Board may specify. The Board may provide that any Awards so vested or released from such limitations in connection with a Change in Control, shall remain fully exercisable until the expiration or sooner termination of the Award.

12. Effective Date and Term of Plan.

The Plan shall become effective upon the later to occur of its adoption by the Board or its approval by the shareholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated.

13. Amendment of the Plan.

- (a) The Board may amend, suspend or terminate the Plan at any time, provided that no such amendment, suspension or termination may:
 - (i) be made without obtaining any required regulatory approvals; or
 - (ii) adversely affect the rights of any Grantee or holder of an Award who holds Options or Awards at the time of any such amendment, without the consent of the Grantee or Award holder.
- (b) The Board may from time to time, in the absolute discretion of the Board and without shareholder approval, make the following amendments to the Plan or any Option or Award granted under the Plan:
 - (i) an addition to, deletion from or alteration of the Plan that is necessary to comply with applicable law or the requirements of any regulatory authority or the TSX or the ASX, as the case may be;

Annexure J: Notice of Annual General Meeting

(ii) any amendment of a “housekeeping” nature, including, without limitation: amending the wording of any provision of the Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan; correcting grammatical or typographical errors; and amending the definitions contained within the Plan respecting the administration of the Plan;

(iii) any amendment respecting the administration of the Plan; and

(iv) any other amendment that does not require shareholder approval under Section 13(c) or otherwise.

(c) Shareholder approval will be required for the following amendments to the Plan:

(i) any amendment to the terms of an Option or Award which is permitted by ASX Listing Rule 6.23.4;

(ii) any increase in the maximum number of Shares issuable as a fixed percentage of the Company’s outstanding Shares under Section 3;

(iii) to remove or exceed the Insider participation limit;

(iv) to an amending provision within the Plan;

(v) any change which would materially modify the requirements as to eligibility for participation in the Plan.

14. No Effect on Terms of Employment or Consulting Relationship.

The Plan shall not confer upon any Grantee any right with respect to the Grantee’s Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Affiliate to terminate the Grantee’s Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Affiliate to terminate the employment of a Grantee who is employed at will is in no way affected by its determination that the Grantee’s Continuous Service has been terminated for Cause for the purposes of this Plan.

15. No Effect on Retirement and Other Benefit Plans.

Except as specifically provided in a retirement or other benefit plan of the Company or an Affiliate, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or an Affiliate, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation.

16. Unfunded Obligation.

Grantees shall have the status of general unsecured creditors of the Company. Any amounts payable to Grantees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Affiliate shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Grantee account shall not create or constitute a trust or fiduciary relationship between the Board, the Company or any Affiliate and a Grantee, or otherwise create any vested or beneficial interest in any Grantee or the Grantee’s creditors in any assets of the Company or an Affiliate. The Grantees shall have no claim against the Company or any Affiliate for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

17. Construction.

Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise.

18. Non-exclusivity of The Plan.

Neither the adoption of the Plan by the Board, the submission of the Plan to the shareholders of the Company for approval, nor any provision of the Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

19. Governing Law.

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be governed by the substantive laws, but not the choice of law rules, of the Province of Ontario and the laws of Canada applicable therein.

(Approved by the Board of Directors on 28 July 2010.)

Corporate Directory

Company Information

Andean Resources Limited
(ABN 66 064 494 319)
ASX Code: AND
TSX Code: AND
andean.com.au

Directors

Louis Gignac (Chair)
Charles Winograd
(Non-Executive Director)
Richard Lorson (Non-Executive Director)
Barry Bolitho (Non-Executive Director)
Wayne Hubert (Managing Director)
Ian Hume (Non-Executive Director)

Company Secretary

John Williams
John Thomas

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Fax: (02) 8622 6050

North America
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United States

Andean Shareholder

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- outside of North America by telephone at +1-416-867-2272;
- in Australia by telephone at 1300 748 255 (toll free); or
- by email at contactus@kingsdaleshareholder.com.

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Fax: +61 8 9323 2033

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Fax: +1 (888) 453 0330

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Telephone: 416-643-5500
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Independent Technical Specialist

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9 Havelock Street
West Perth WA 6005
Australia

Auditor

BDO Kendalls Audit and Assurance (WA)
Pty Ltd
128 Hay Street
Subiaco WA 6008
Australia



Important

Shareholders, brokers and other interested parties are encouraged to direct questions and requests for assistance to the Proxy Solicitation Agents:

Option A:

In Canada and United States
call toll free at:



1-888-518-1561

Outside North America, Shareholders, Banks and Brokers
call Collect: 416-867-2272

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Email: contactus@kingsdaleshareholder.com

Option B:

In Australia
call toll free at:



1300 748 255