



MANAGEMENT'S DISCUSSION AND ANALYSIS (For the year ended December 31, 2009)

The following discussion of the financial condition and results of operations of Gold Wheaton Gold Corp. ("Gold Wheaton" or the "Company"), should be read in conjunction with the Company's audited consolidated Financial Statements and related notes thereto for the years ended December 31, 2009 and December 31, 2008. The Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles.

During 2008, the Company changed its year-end from September 30 to December 31. To increase comparability, the Company is presenting audited financial information for the year ended December 31, 2008.

Effective on February 4, 2010, the Company completed a 10:1 common share consolidation. All stock options and common share purchase warrants were consolidated on the same basis as the common shares and have been re-priced accordingly. The Company has reflected the consolidation retroactively. Consequently, all share capital, stock options and share purchase warrants are presented post-consolidation.

Unless otherwise stated, all dollar amounts are expressed in United States dollars except number of shares.

DATE

This MD&A is prepared as of March 4, 2010.

2009 HIGHLIGHTS

- Revenue from the sale of precious metals for the year ended December 31, 2009 was \$62.6 million; \$47.2 million higher as compared to 2008 and an increase of 300%, primarily as a result of higher deliveries from FNX and First Uranium.
- Operating cash flow for the year ended December 31, 2009 was \$23.8 million compared to \$2.4 million for the year ended December 31, 2008.
- Net income for the year ended December 31, 2009 was \$2.3 million (\$0.02 per share) compared to a net loss of \$5.4 million (\$0.12 per share) for the year ended December 31, 2008. Higher net income in the 2009 was mainly due to 12 months of deliveries from both FNX Mining Company Ltd. ("FNX") and First Uranium Corporation ("First Uranium") compared to 5.5 months and 0.5 month respectively in 2008.
- For the year ended December 31, 2009, 59,827 gold equivalent ounces were delivered to the Company compared to 18,985 gold equivalent ounces in 2008, an increase of 215 %. FNX delivered to Gold Wheaton approximately 38,908 gold equivalent ounces after the settlement of prior period sales compared to 18,761 gold equivalent ounces for the year ended December 31, 2008. First Uranium delivered to Gold Wheaton approximately 20,919 gold ounces for the year ended December 31, 2009, compared to 224 ounces for the year ended December 31, 2008.
- At December 31, 2009, the Company had cash and short term investments of \$87.1 million and working capital of \$56.9 million compared to \$7.4 million and \$14.5 million, respectively, on December 31, 2008. Working capital at December 31, 2009 includes accounts receivable of \$28.4 million from the sale of precious metals arising from timing of settlements pursuant to offtake agreements. Accounts payable includes \$10.4 million related to the cash per ounce cost of the precious metals purchased.

- On March 5, 2009, the Company successfully completed a public offering for 46,000,000 units (“2009 Unit”) at a price of CDN\$2.50 per unit to raise gross proceeds of \$89.3 million (CDN\$115 million) pursuant to a short form prospectus. Each 2009 Unit consists of one common share and one half share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of CDN\$5.00 per share for a period of 2 years following the closing of the offering.
- On May 26, 2009, the Company closed a CDN\$100 million debt financing with a CDN\$15 million over-allotment option. The Company issued 10% Senior Secured Notes due May 26, 2014 (the “Series 1 Notes”), with a principal amount of CDN\$57 million, for the first drawdown. In connection with the issuance of the Series 1 Notes, the Company issued 7,125,000 warrants to the Secured Notes holders at an exercise price of CDN\$5.00 per share for a period of 5 years following the closing of the offering.
- On November 26, 2009, the Company issued 10% Senior Secured Notes due November 26, 2014 (the “Series 2 Notes”), with a principal amount of CDN\$50 million, for the second and final drawdown of the aforementioned CDN\$100 million debt financing. In connection with the issuance of the Series 2 Notes, the Company issued 6,250,000 warrants to the Secured Notes holders at an exercise price of CDN\$5.00 per share for a period of 5 years following the closing of the offering.
- On December 8, 2009, the Company entered into an agreement with First Uranium (the “EMC Agreement”) to purchase 7% of the life-of-mine gold production from Ezulwini, subject to a minimum of 16,500 and 19,500 ounces of gold in 2010 and 2011 respectively from First Uranium’s Ezulwini Mine in South Africa (“Ezulwini”). Gold Wheaton made an upfront cash payment of \$50 million, with a per ounce cash payment of the lesser of \$400 (subject to an inflationary adjustment) and the prevailing market price being due for gold delivered under the EMC Agreement.
- Effective on February 4, 2010, the Company graduated to the TSX Exchange. Concurrently, the Company completed a 10:1 common share consolidation of the total number of issued and outstanding common shares approved at the January 11, 2010 Special Meeting of Shareholders. As a result of the share consolidation, the Company has approximately 143,047,467 common shares outstanding. All stock options and common share purchase warrants were consolidated on the same basis as the common shares and have been re-priced accordingly.

DESCRIPTION OF BUSINESS

Gold Wheaton is a TSX listed company (symbol: GLW) with 100% of its operating revenue from the sale of gold and other precious metals that it has agreed to purchase from other mining companies, including FNX and First Uranium. The Company intends to sell the gold and other precious metals which it acquires at the prevailing market price. Accordingly, the financial results of the Company are largely impacted by the volume of gold and other precious metals produced at the various mines and the price of gold, platinum and palladium.

The Company has entered into long-term contracts with FNX (the “FNX Agreement”) and First Uranium whereby the Company has agreed to purchase gold, platinum and palladium produced from FNX’s PM and 700 deposits at the McCreedy West Mine, the Levack Footwall, Rob Zone and 1900 Zone deposits at the Levack Mine and the 2000 and North deposits at the Podolsky Mine located in Sudbury, Ontario (the “FNX Properties”); and gold produced from First Uranium’s Mine Waste Solutions tailings recovery project (“MWS”) and Ezulwini mine in South Africa.

The Company continues to actively pursue further growth opportunities, primarily by way of entering into similar long-term gold purchase contracts.

SELECTED ANNUAL INFORMATION

(in thousands)	2009	2008	2007
Total revenues	\$ 62,593	\$ 15,422	Nil
Net income (loss)	\$ 2,309	\$ (5,420)	\$ (101)
Basic and diluted net income (loss) per share	\$ 0.02	\$ (0.12)	\$ (0.10)
Total assets	\$ 678,060	\$ 468,722	\$ 11
Total long term liabilities	\$ 89,646	\$ 38,673	\$ 402
Cash dividends declared	Nil	Nil	Nil

SUMMARY OF QUARTERLY RESULTS (in thousand except per share amount)

Description	Q4 Dec 31 2009	Q3 Sept 30 2009	Q2 June 30 2009	Q1 Mar 31 2009	Q4 ³ Dec 31 2008	Q3 ² Sept 30 2008	Q2 ¹ June 30 2008	Q1 ¹ March 31 2008
Revenues	\$ 30,682	\$ 6,840	\$ 16,304	\$ 8,766	\$ 6,456	\$ 8,967	\$ -	\$ -
Income/(loss) before other items	\$ 9,421	\$ 132	\$ 2,606	\$ 2,459	\$ (396)	\$ (2,377)	\$ (328)	\$ (111)
Net Income/(loss) for period	\$ 6,107	\$ (3,121)	\$ 153	\$ (830)	\$ (2,056)	\$ (2,326)	\$ (327)	\$ (710)
Basic and fully diluted income/(loss) per share	\$ 0.04	\$ (0.02)	\$ 0.00	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.42)

- ¹ The Company had a change in business in July 2008, accordingly quarterly results for Q2 2008 and prior are not comparable. Effective July 1, 2008, the Company determined that the functional currency had changed from the Canadian to the United States dollar. This resulted from a change in the nature of the business as all sales and the majority of expenses occurring in United States dollars. Concurrent with this change in functional currency, the Company adopted the United States dollar as its reporting currency. In accordance with Canadian GAAP, the change was effected by translating assets and liabilities, at the end of prior reporting periods, at the existing United States / Canadian dollar foreign exchange spot rate, while earnings, losses and shareholders' equity were translated at historic rates.
- ² Q1-2009 compared to Q3-2008, income before other items was \$4.8 million higher mainly due to higher earnings from mining operations of \$1.8 million and lower stock-based compensation expense of \$3.3 million.
- ³ The year end of the Company was changed from September 30 to December 31.

RESULTS OF OPERATIONS

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2009 COMPARED TO YEAR ENDED DECEMBER 31, 2008.

For the year ended December 31, 2009, the Company recorded net income of \$2.3 million (income of \$0.02 per share) compared to a net loss of \$5.4 million (loss of \$0.12 per share) for the year ended December 31, 2008. The increase in net income in 2009 over prior year is primarily due to the Company's change in business in July 2008. Accordingly, earnings from mining operations reflect 5.5 months in 2008 versus 12 months in 2009.

For the year ended December 31, 2009, earnings from mining operations totaled \$25.1 million with operating expenses of \$10.5 million, consisting mostly of interest expense related to long term liabilities of \$5.8 million and professional and consulting fees of \$3.1 million. In addition, the Company incurred a one-time charge of \$4.6 million due to future income tax expenses related to the Company electing to change its functional reporting currency for Canadian income taxes purposes from Canadian dollar to US dollar and \$5.7 million foreign exchange loss primarily related to the promissory note due to FNX being denominated in Canadian dollars.

For the year ended December 31, 2009, approximately 67% and 33% of the Company's revenue was attributed to mineral interests in FNX and First Uranium's assets respectively. FNX delivered to Gold Wheaton approximately 38,908 gold equivalent ounces after the impact of settlements of prior period deliveries, at a total cash cost of \$400 per gold equivalent ounce. The Company realized an average sale price of \$1,048 per gold equivalent ounce (2008 - \$811) excluding the impact of settlements of prior period sales related to the FNX Agreement. First Uranium delivered to Gold Wheaton approximately 20,817 and 102 gold ounces related to MWS and Ezulwini respectively. The Company realized an average sale price of \$976 (2008 - \$849) and \$1,103 per gold ounce related to the MWS and EMC First Uranium Agreement respectively.

At December 31, 2009, the Company had cash and short term investments of \$87.1 million and working capital of \$56.9 million compared to \$7.4 million and \$14.5 million, respectively, on December 31, 2008. Working capital at December 31, 2009 includes accounts receivable of \$28.4 million from sale of precious metals arising from timing of settlements pursuant to offtake agreements offset by \$10.4 million of accounts payable related to the corresponding cash per ounce cost.

FOURTH QUARTER

Net income for the three months period ended December 31, 2009 ("Q4-2009") was \$6.1 million (\$0.04 per share) compared to a net loss of \$2.1 million (\$0.02 per share) for the three months ended December 31, 2008 ("Q4-2008"). The increase in net income of \$8.2 million in Q4-2009 compared to Q4-2008 was mainly due to higher earnings from mining operations of \$12.8 million from favourable volume and price variances (see revenue explanation below).

Revenue from the sale of precious metals for Q4-2009 was \$30.7 million, \$24.2 higher compared to Q4-2008 of \$6.5 million. Higher Q4-2009 revenue was mainly due to the following:

- Sale of precious metals delivered by FNX contributed \$18.2 million higher revenue in Q4-2009 compared to Q4-2008. FNX delivered to Gold Wheaton, after the impact of settlements of prior period sales, approximately 22,162 gold equivalent ounces compared to 7,950 gold equivalent ounces in Q4-2008. The volume increase from FNX in Q4-2009 mainly relates to stockpiled ore not processed during the previous quarter due to Vale Inco's strike that was processed in Q4-2009. The gold equivalent ounces, excluding the impact of settlements of prior period sales, were sold at an average price of \$1,089 and \$787 for the Q4-2009 and Q4-2008 respectively.
- Sale of gold purchased from First Uranium contributed \$5.9 million higher revenue in Q4-2009 compared to Q4-2008. The MWS and EMC contracts were entered into in December 2008 and

December 2009 respectively. Gold Wheaton received from First Uranium approximately 5,389 and 102 ounces of gold in Q4-2009 related to MWS and EMC respectively. The Company realized an average gold price in Q4-2009 of \$1,101 and \$1,103 respectively.

Cash flow generated from operating activities in Q4-2009 was \$5.6 million (Q4-2008 \$4.2 million).

MINERAL INTEREST

FNX Agreement

On July 15, 2008, the Company entered into the FNX Agreement, under which the Company agreed to purchase 50% of the gold, platinum and palladium (“Gold Equivalent Ounces”) mined by FNX from the FNX Properties. Under the terms of the FNX Agreement, the Company is also required to make ongoing payments to FNX equal to the lesser of (a) \$400 per ounce of Gold Equivalent Ounces (subject to an annual inflation adjustment starting in 2011), and (b) the then prevailing market price per ounce of gold.

For the year ended December 31, 2009, FNX delivered to Gold Wheaton approximately 38,908 gold equivalent ounces after the settlement of prior period sales, comprising of 6,816 ounces of gold, 17,931 ounces of platinum and 21,951 ounces of palladium, compared to 18,761 gold equivalent ounces for the previous year. Sales revenue attributed to FNX’s deliveries totalled \$42.2 million in 2009 versus \$15.2 million in 2008. The increase in revenue is a result of full year delivery from FNX as well as increased average sale price of \$1,048 per gold equivalent ounce in 2009 versus \$811 per gold equivalent ounce in 2008.

Effective July 13, 2009, the employees of Vale Inco, FNX’s custom processor, elected to go out on strike. As at the date of this MD&A there is no indication as to when this labour dispute will end. During Q4-2009 FNX continued to operate under its original production plan. FNX shipped approximately 157,000 tons of ore to Xstrata Nickel’s Sudbury processing facilities under the terms of a temporary offtake agreement. The ore shipped to Xstrata Nickel was processed in Q4 2009. FNX was notified by Vale Inco in late September 2009 to resume ore shipment to Vale Inco’s Clarabelle Mill. FNX complied with the terms of its offtake agreement with Vale Inco and has resumed normal delivery to Vale Inco’s Clarabelle Mill and continues delivery to the present time. However, there is no assurance that FNX ore shipments to Vale Inco will not be suspended again should the labour dispute continue for an indefinite period.

For more detailed information related to the reserves and resources estimates of the FNX assets, please see the NI 43-101 Technical Report updated to December 31, 2007 and dated July 3, 2008 filed by the Company that is available of www.sedar.com.

Mine Waste Solution

On November 28, 2008, Gold Wheaton (Barbados) Corporation (“Gold Wheaton Barbados”), a wholly own subsidiary of the Company, entered into an agreement with First Uranium to purchase 25% of the life-of-mine gold production from MWS, with a minimum of 20,000 ounces of gold production in 2009r. Chemwes, an indirect wholly-owned subsidiary of First Uranium owns MWS. The transaction closed on December 17, 2008 with an effective date of December 12, 2008. Gold Wheaton Barbados paid an initial upfront payment of \$50 million. Pursuant to the MWS Agreement, Gold Wheaton Barbados paid Chemwes an additional \$75 million (the “Balance Payment”) on March 12, 2009 thereby securing the 25% life-of-mine gold production from MWS. Gold Wheaton Barbados has also agreed to pay Chemwes an ongoing payment equal to the lesser of: (a) \$400 per ounce of payable gold delivered and sold to Gold Wheaton Barbados (subject to an annual inflation adjustment, starting in the fourth year after closing); and (b) the then prevailing market price per ounce of gold.

For the year ended December 31, 2009, MWS delivered to Gold Wheaton approximately 20,817 gold ounces of which 6,713 ounces relate to minimum guarantee ounces delivered pursuant to the MWS agreement. The Company realized an average sale price of \$976 per gold ounce in 2009 related to MWS.

Subsequent to the yearend, First Uranium announced that the North West Provincial Government's Department of Agriculture, Conservation, Environment and Rural Development ("NWDACE") had withdrawn First Uranium's environmental authorization ("EA") for a new Tailings Storage Facility ("TSF") designed to accommodate future tailings deposition capacity requirements at MWS. The EA was subsequently re-instated on February 25, 2010. Pursuant to the MWS agreement, if the third gold plant expansion is not completed on or before June 1, 2010 Gold Wheaton is entitled to a \$42 million refund on the original upfront payment of \$125 million, with First Uranium able to recoup up to \$30 million under certain circumstances.

As disclosed in First Uranium's most recently published financial results, the withdrawal of the EA in January 2010 has disrupted First Uranium's efforts in securing financing to complete the third gold plant expansion along with lower than expected production build-up at the Ezulwini Mine, have severely compromised First Uranium's financial position. The Board of Directors of First Uranium has formed a Special Committee to assess various financing alternatives. No assurance can be given that any transaction will be consummated. Although the Company is cautiously optimistic that First Uranium will resolve its financing challenges, pursuant to the MWS and EMC agreement, should First Uranium be the subject of any proceedings under any bankruptcy law (subject to a cure period) Gold Wheaton will have the right to terminate the agreements and demand repayment of the remaining Uncredited Balance as defined in the contracts. The Uncredited Balances under the MWS and EMC agreements were approximately \$113 million and \$50 million respectively as at December 31, 2009. First Uranium's obligation to Gold Wheaton is secured by first ranked security charges over certain assets.

For more detailed information related to the reserves and resources estimates of the MWS Project, please see the NI 43-101 Technical Report updated to March 31, 2008 and dated March 31, 2008 filed by the Company that is available of www.sedar.com.

Ezulwini Mining Company ("EMC")

On December 8, 2009, the Company entered into an agreement with Ezulwini Mining Company (Proprietary) Limited ("EMC"), a subsidiary of First Uranium in South Africa. Gold Wheaton will purchase 7 percent of the life-of-mine gold production from EMC, subject to a minimum of 16,500 and 19,500 ounces of gold in 2010 and 2011 respectively. Total upfront payment was \$50 million.

In addition, the Company will pay an ongoing payment equal to the lesser of \$400 per ounce and the prevailing spot price (subject to an annual inflation adjustment starting in 2013).

For the year ended December 31, 2009, EMC delivered to Gold Wheaton approximately 102 gold ounces pursuant to the EMC Agreement. The Company realized an average sale price of \$1,103 per gold ounce in 2009 from Ezulwini.

Please see discussion under MWS above on First Uranium.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2009, the Company had cash and short term investments of \$87.1 million (December 31, 2008 - \$7.4 million) and working capital of \$56.9 million (December 31, 2008 – \$14.5 million). Included in working capital is a promissory note due to FNX (see FNX Promissory Note) of \$47.6 million.

During the year, the Company generated operating cash flows of \$23.8 million compared with \$2.4 million during 2008.

During the year the Company had net cash inflows from financing activities of \$183 million including the completion of a \$89.3 million (CDN\$115 million) public offering (see Public Offering), gross proceeds of \$98.1 million (CDN\$107.0 million) Series 1 and 2 Notes (see Debt Offering), and \$2 million from share purchase warrants and share purchase options exercised.

During the year the Company had net cash outflows from mineral interest acquisition including, \$75 million paid to Chemwes in satisfaction of the Balance Payment due on the MWS acquisition and \$50 million paid to EMC for the purchase of gold production at Ezulwini.

The Company maintains sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and short-term investments. The Company's cash is invested in business accounts which are available on demand. The Company does not invest in asset backed securities. The Company's short-term investments are available on demand after 30 days without penalty. All current financial liabilities are due to be settled within 365 days of the balance sheet date.

At December 31, 2009, the Company had sufficient resources to fund its current activities and corporate overhead expenses. As part of the Company's business strategy, it has sought and will continue to seek to purchase precious metal streams from third party natural resource companies. Currently the Company's primary source of capital is from the issuance of equity securities, promissory notes and cash flow from operations. Management's objective is to obtain sufficient capital to further develop or acquire new gold stream opportunities for the benefit of its stakeholders. To meet this objective, management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses additional capital requirements on specific business opportunities on a case by case basis.

FNX PROMISSORY NOTE

Pursuant to the FNX Agreement, the Company issued a promissory note for \$49.9 million (CDN\$50 million) (the "FNX Note") to FNX as partial consideration for purchase of FNX's mineral interest. On December 8, 2008, the Company and FNX amended the terms of the FNX Note. Under the terms of the amended FNX Note, the due date for the note was extended for approximately 18 months until July 16, 2010. Furthermore, the amended FNX Note is now repayable at either FNX's or the Company's option through the issuance of that number of additional common shares of the Company determined by dividing CDN\$50 million by the lesser of: (a) CDN\$10.00; and (b) the greater of: (i) the 20 Day volume weighted average trading price of the common shares of the Company ending June 30, 2010; and (ii) CDN\$2.00. The FNX Note continues to be non-interest bearing. Following receipt of TSXV approval to the terms of the amended FNX Note, the Company issued one million Common Shares to FNX in consideration of the amendments.

PUBLIC OFFERING

On March 5, 2009, the Company completed a public offering for 46,000,000 units ("2009 Unit") at a price of CDN\$2.50 per 2009 Unit to raise gross proceeds of \$89.3 million (CDN\$115 million) pursuant to a short

form prospectus. Each 2009 Unit consists of one common share and one half share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share at an exercise price of CDN\$5.00 per share for a period of 2 years following the closing of the offering.

DEBT OFFERING

The Company completed a debt financing by way of senior secured notes (“Notes”). The Notes have a stated interest rate of 10% per annum and have a five year term. Sprott Asset Management Inc. on behalf of certain funds and managed accounts (“Sprott”) agreed to subscribe for Notes in two equal draws for an aggregate principal amount of CDN\$100 million. Gold Wheaton has also agreed to issue to Sprott 12.5 million warrants with a five year term, and exercisable at a price of CDN\$5.00 per share. Gold Wheaton had the option to increase the offering of Notes to a total principal amount of CDN\$115 million with additional proportional warrants on the same terms described herein.

On May 26, 2009, the Company issued Series 1 Notes, with a principal amount of CDN\$57 million. In connection with the issuance of the Series 1 Notes, the Company issued 7,250,000 warrants to the Series 1 Notes holders. Under the Note Indenture, the Company is required to maintain certain financial covenants. The Series 1 Notes are secured by the Company’s mineral interests. At December 31, 2009, the Company is in compliance with its debt covenants.

On November 26, 2009, the Company issued Series 2 Notes with a principal amount of CDN\$50 million. In connection with the issuance of the Series 2 Notes, the Company issued 6,250,000 warrants to the Series 2 Notes holders. Under the Note Indenture, the Company is required to maintain certain financial covenants. The Secured 2 Notes are secured by the Company mineral interests. At December 31, 2009, the Company is in compliance with its debt covenants.

COMMITMENTS

FNX

In connection with the FNX gold purchase contract, the Company has committed to purchase 50% of the contained gold equivalent ounces in ore mined and shipped from the FNX operations. For each gold equivalent ounce delivered, a cash payment of the lesser of \$400 (subject to an annual inflationary adjustment starting in 2011) per ounce and the then prevailing market price per ounce of gold is made.

MWS

In connection with the MWS gold purchase contract, the Company has committed to purchase 25% of the gold produced from MWS in South Africa. For each gold ounce delivered, a cash payment of the lesser of \$400 (subject to an annual inflationary adjustment starting in 2012) per ounce and the then prevailing market price per ounce of gold is made.

EMC

In connection with the EMC gold purchase contract, the Company has committed to purchase 7% of the gold produced subject to a minimum 16,500 ounces in 2010 and 19,500 ounces in 2011 from Ezulwini in South Africa. For each gold ounce delivered, a cash payment of the lesser of \$400 (subject to an annual inflationary adjustment starting in 2013) per ounce and the then prevailing market price per ounce of gold is made.

RISK AND UNCERTAINTIES

The following is a summary of primary risk factors affecting the Company and is qualified in its entirety by reference to and must be read in conjunction with the Company's Annual Information Form dated December 10, 2009 ("AIF") available on SEDAR at www.sedar.com.

Current global financial conditions

Current global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. If these increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the value and the price of the common shares of the Company could continue to be adversely affected.

Subject to the Same Risk Factors as the FNX Properties, MWS and Ezulwini

To the extent that they relate to the production of gold or other precious metals from, or the continued operation of the FNX Properties, MWS or Ezulwini (collectively, the "Mining Operations"), the Company will be subject to the risk factors applicable to the operators of such mines or projects, such as potential disruptions to ore shipments from FNX to Vale Inco due to labour disputes; successful completion of a third gold plant and TSF at MWS due to permitting and capital funding requirements. For further details please see "Risks relating to the Mining Operations" as set forth in the AIF.

Commodity Prices for Gold and Other Precious Metals

The price of the common shares of the Company and the Company's financial results may be significantly adversely affected by the decline in the price of gold and other precious metals, including platinum or palladium. The price of gold fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world. The price of gold has fluctuated widely in recent years.

In the event that the prevailing market price of gold is less than \$400 per ounce (subject to applicable inflation adjustments), the transfer price will be the then prevailing market price per ounce of gold and the Company will not generate positive cash flow or earnings.

Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company receives revenue in US dollars, incurs expenses in US and Canadian dollars and its reporting currency is the US dollar. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations.

Gold Produced as a By-Product

Gold, platinum and palladium are produced as by-product metals at the Mining Operations, therefore, the economic cut-off applied to the reporting of gold, platinum and palladium reserves and resources will be influenced by changes in the commodity prices of other metals at the mines.

No Control over Mining Operations

The Company has agreed to purchase 50% of the Gold Equivalent Ounces from the FNX Properties, 25% of the life-of-mine gold production from MWS, and the greater of 16,500 and 19,500 ounces of gold in 2010 and 2011 respectively and 7% of the gold production and thereafter 7% of the life-of-mine gold production from EMC. Except for any payments which may be payable under the completion guarantees relating to the MWS Project, the Company will not be entitled to any material compensation if any of the Mining Operations shut down or discontinue their operations on a temporary or permanent basis. At any time, any of the operators of the Mining Operations or their successors may suspend or discontinue operations.

Operating Model Risk

The Company is not directly involved in the ownership or operation of mines. The gold purchase agreements that the Company has entered into are subject to most of the significant risks and rewards of a mining company, with the primary exception that, under such agreements the Company acquires gold and other precious metals at a fixed cost. As a result of the Company's operating model, the cash flow of the Company is dependent upon the activities of third parties which creates the risk that at any time those third parties may (a) have business interests or targets that are inconsistent with those of the Company, (b) take action contrary to the Company's policies or objectives, (c) be unable or unwilling to fulfill their obligations under their agreements with the Company, or (d) experience financial, operational or other difficulties, including insolvency, which could limit a third party's ability to perform its obligations under the third party arrangements. In addition, the termination of one or more of the Company's gold purchase agreements could have a material adverse effect on the results of operations or financial condition or cash flow of the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Management evaluates the estimates periodically including those considered to be critical: mineral interest depletion; impairments, stock-based compensation and future income taxes. Actual results may differ by material amounts from these estimates.

Depletion

The Company records depletion expense based on the estimated total production attributable to each mineral interest. The depletion amount per unit-of production is based on the reserve and resources and other relevant information received from the operators at the acquisition of the mineral interest. Changes in estimated total production are generally calculated at the end of each year and cause depletion expense to increase or decrease prospectively. The estimation of the reserves and resources require significant subjective assumptions that arise from the evaluation of geological, geophysical, engineering and economic data from a given ore body. This data could change over time as a result of numerous factors, including new information gained from development activities, evolving production history and a reassessment of the viability of production under different economic conditions.

Impairments

The Company performs an impairment test on its mineral interest on at least an annual basis or as warranted by events or circumstances. The Company estimates the undiscounted cash flow of each contract based on the estimated reserves, resources and other information received from the operators for each contract and the future gold prices. Estimating total production requires a significant amount of judgment as discussed above under in the depletion section. The Company's estimate of the future gold and other precious metal prices are subject to certain risks and uncertainties. Any changes in the assumptions may adversely affect the net cash flow expected to be generated from the mineral interests.

Stock based compensation

The Company uses the Black-Scholes Model to determine the fair value of awards of stock options to employees, officers and directors and share purchase warrants. Key assumptions used in this model are volatility and expected life of options and warrants.

Income Taxes

The Company exercises judgment in estimating the provision for income taxes. Provisions for federal, provincial, and foreign taxes are based on the respective laws and regulations in each jurisdiction within which the Company operates. These complex laws and regulations are potentially subject to different interpretation between the Company and the respective tax authority. Due to the number of variables associated with the differing tax laws and regulations across the multiple jurisdictions, the precision and reliability of the resulting estimates are subject to uncertainties and may change as additional information becomes known.

Future income tax assets and liabilities comprise the tax effect of temporary differences between the carrying amount and tax basis of assets and liabilities as well as the tax effect of undeducted tax losses, and are measured according to the income tax law that is expected to apply when the asset is realized or liability settled. Assumptions underlying the composition of future income tax assets and liabilities include estimates of future results of operations and the timing of reversal of temporary differences as well as the tax rates and laws in each respective jurisdiction at the time of the expected reversal. The composition of future income tax assets and liabilities is reasonably likely to change from period to period due to the uncertainties surrounding these assumptions.

NEW ACCOUNTING POLICIES

Inventories

On January 1, 2009, the Company adopted section 3031, "Inventories", which replaces Section 3030 and establishes standards for the measurement and disclosure of inventories. This Section provides more extensive guidance in the following areas: the determination of cost, including allocation of overhead; limitation of permitted cost formulas; and expansion of disclosure requirements to increase transparency. This standard was adopted on a retrospective basis. The adoption of this accounting standard did not have any impact on the Company's financial statements.

Goodwill and Intangible Assets

On January 1, 2009, the Company adopted section 3064 "Goodwill and Intangible Assets which establishes guidance on the recognition of intangible assets as well as the recognition and measurement of internally developed intangible assets. In addition, Section 3450 "Research and Development Costs" was withdrawn from the Handbook. This standard was adopted on a retrospective basis. Adopting this accounting standard did not have a material effect on the Company's financial statements.

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued Emerging Issues Committee (“EIC”) Abstract 173 - Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (“EIC-173”). EIC-173 provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of an entity’s financial assets and financial liabilities, including derivative instruments. EIC-173 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year ending December 31, 2009, with retrospective application. The adoption of EIC-173 did not result in a material impact on the Company’s consolidated financial statements.

Financial Instruments - Disclosures

In June 2009, the CICA amended Handbook Section 3862 – Financial Instruments – Disclosures to include additional disclosure requirements about fair value measurements of financial instruments and to enhance liquidity risk disclosure requirements for publicly accountable enterprises. The amendments are applicable for the Company’s annual consolidated financial statements for its fiscal year ending December 31, 2009.

FUTURE CHANGES IN ACCOUNTING POLICIES

Business combination, non-controlling interest, and consolidation

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, (“Section 1582”), 1601, Consolidated Financial Statements, (“Section 1601”) and 1602, Non-controlling Interests, (“Section 1602”) which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards (“IFRS”). Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company’s interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted at the same time.

International Financial Reporting Standards

The CICA has announced that publicly accountable enterprises will be required to transition from Canadian generally accepted accounting principles (“Canadian GAAP”) to International Financial Reporting Standards (“IFRS”), effective January 1, 2011. This mandate is first applicable to interim reporting periods in 2011 and includes the requirement to present comparative financial information for the 2010 year based on IFRS. Accordingly, although the Company will first report our result under IFRS in 2011, the underlying conversion will be based on an effective transition date of January 1, 2010.

The Company has commenced transition planning and has established an IFRS conversion team to lead the conversion project. The conversion project includes the following phases: 1- scoping and planning, 2- detailed assessment, 3- implementation and 4- post implementation.

The scoping and planning phase involves establishing a project team and organizational structure, including oversight of the process; this includes a project management plan, stakeholder analysis and communication strategy. This phase also entails an initial assessment of the key areas where IFRS transition may have a significant impact and present significant challenges. The Company has prepared an initial diagnostic of the key areas in which adjustments would be required shortly after the timeline for IFRS transition for Canadian public companies was announced and is planning on updating the initial assessment for more recent developments as well as incorporating an analysis of the transition exceptions

and exemptions available under IFRS 1 “First Time Adoption of International Financial Reporting Standards” as well as an assessment of the accounting policy choices available to the Company upon adoption.

The second phase, detailed assessment, will involve technical analysis that will result in understanding potential impacts, quantification of alternatives where there are accounting policy choices, detailed analysis and decisions taken regarding IFRS 1 exemptions and exceptions available to the Company and the drafting of accounting policies in accordance with IFRS. In addition this will result in identifying resource and training requirements, processes for preparing financial statements, and establishing IT system requirements. The Company intends to disclose its progress in accomplishing the phase 2 goals in its Management Discussion and Analysis documents throughout 2010 as the detailed assessment phase is completed.

During the implementation phase, we will identify and carry out the implementation requirements to effect management’s accounting choices, develop sample financial statements, implement business and internal control requirements, calculate the opening balance sheet at January 1, 2010 and other transitional reconciliations and disclosure requirements.

The last phase, post implementation, will involve continuous monitoring of changes in IFRS throughout and continuing with the development and maintenance of IFRS competencies by addressing training requirements at various levels of the organization.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2009, the Company recorded consulting fees of \$912 thousand (year ended December 31, 2008- \$276 thousand) to companies controlled by a director or officer.

During the year ended December 31, 2009, the Company purchased \$15.6 million (year ended December 31, 2008 - \$7.5 million) of precious metals from FNX which owns approximately 24% as of December 31, 2009 of the Company’s common stock and has one director in common. At December 31, 2009 and 2008, the Company owes FNX \$10.2 million and \$7.0 million respectively, which has been recorded in accounts payable and accrued liabilities.

For the year ended December 31, 2008, the Company had the following transactions with companies related to a common former director or officer:

<u>(in thousands)</u>	For the Year Ended December 31, 2008
Management fees	\$ 9
Legal and consulting fees	67
Debt settlement	675
Payment of a portion of the related parties balance at September 30, 2007	106
Debt settlement through issuance of common shares	249

These transactions were in the normal course of operations and were measured at the exchange amount which was the amount established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, short term investments, accounts receivable, long-term investments, accounts payable and accrued liabilities, and long-term liabilities.

Cash and short term investments are designated as held-for-trading and therefore carried at fair value, with the unrealized gain or loss recorded in income.

The fair values of accounts receivable, accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments.

The following table provides an analysis of financial instruments grouped into levels 1 and 2 based on the degree to which the fair value is observable as at December 31, 2009.

(\$ thousands)	Carrying amount	Fair Value	Discount rate
Level 1:			
Cash and short-term investments	\$ 87,102	\$ 87,102	N/A
Sandstorm shares	\$ 3,306	\$ 5,698	N/A
Sandstorm Warrants	\$ 659	\$ 1,170	N/A
Level 2:			
FNX Note (see note 3)	\$ 46,594	\$ 46,221	5.36%
Series 1 and 2 Secured Notes	\$ 90,644	\$ 117,649	6.42%

There were no transfers between Level 1 and 2 in the year

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

The credit risk arises from the potential non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk includes cash, short-term investments, and accounts receivable. The Company reduces its credit risk by maintaining its bank accounts at large international financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets.

The Company currently sells all of its minerals to two customers. The loss of these customers could have a material adverse effect on the Company's results of operations, financial condition and cash flows. The Company evaluates the credit worthiness of counterparties to the sales arrangement and

monitors the customers' liquidity. The Company does not have any receivables that are passed due and regards, the credit risk associated with the trade receivables at December 31, 2009 to be low.

Liquidity Risk

The Company maintains sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and short-term investments. The Company's cash is invested in business accounts which are available on demand. The Company does not invest in asset backed securities. The Company's short term investments are available on demand after 30 days without penalty.

The following are the contractual maturities of financial liabilities. The amounts presented represent the future undiscounted principal and interest cash flows and therefore do not equate to the carrying amount on the consolidated balance sheet. Payments to be made in Canadian dollars have been translated based on the December 31, 2009 exchange rate.

(\$ thousands)	Carrying amount		Contractual payments			
	December 31, 2009		2010	2011-2012	2013-2014	
Non-derivative financial liabilities						
FNX Note (see note 3)	\$	46,594	\$	47,575	\$	-
Series 1 Secured Notes		50,049		5,424		10,847
Series 2 Secured Notes		40,595		4,758		9,515
Accounts payable and accruals		11,218		11,218		-

Market Risk

i) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company receives revenue in US dollars, incurs expenses in US and Canadian dollars and its reporting currency is the US dollar. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have a material effect on the Company's results of operations, financial position or cash flows. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations.

At December 31, 2009, the Company is exposed to currency risk through the following financial assets and liabilities denominated in Canadian dollars:

(in thousands)	December 31, 2009	
Cash	\$	18,159
Short-term investments		65,083
Long-term investments		6,868
Deposits		49
Other receivables		77
Accounts payable and accrued liabilities		(750)
Current portion of long term liabilities		(47,592)
Long-term liabilities		(89,646)
	\$	(47,752)

Based on the above net exposures at December 31, 2009, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in approximately \$3.6 million and \$0.2 million increase or decrease in the Company's after-tax net earnings and other comprehensive income respectively.

i) *Commodity price risk*

The profitability of the Company will be significantly affected by changes in the market price of platinum, palladium and gold. The level of interest rates, the rate of inflation, world supply and demand of precious metals and stability of exchange rates can all cause significant fluctuations in precious metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments.

A 10% change in commodity prices would impact the Company's net income as follows:

For the Year Ended December 31,			
(in thousands)	2009		2008
Gold price	\$	3,674	\$ 804
Platinum price	\$	1,172	\$ 322
Palladium price	\$	340	\$ 77

ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's website at www.goldwheaton.com or on SEDAR at www.sedar.com.

Disclosure of Outstanding Share Data

a) Authorized:

Unlimited common shares with no par value

Unlimited preferred shares with no par value

b) Common shares issued: Number

Balance December 31, 2009 143,047,466

Balance March 3, 2010 143,047,466

c) The number of options exercisable and exercise prices were as follows:

	December 31, 2009	March 3, 2010
Exercise Price (CDN)	Number of Options Outstanding and Exercisable	Number of Options Outstanding and Exercisable
\$3.70	105,500	105,500
\$5.90	1,609,500	1,609,500
\$6.00	55,000	55,000
\$2.50	789,500	789,500
\$2.72	-	2,735,000
	2,559,500	5,294,500

The number of warrants outstanding at December 31, 2009 and March 3, 2010 were as follows:

Exercise Price (CDN)	December 31, 2009	March 3, 2010	Expiry date
\$10.00	25,999,999	25,999,999	July 8, 2013
\$5.00	23,000,000	23,000,000	March 5, 2011
\$5.00	7,125,000	7,125,000	May 26, 2014
\$5.00	6,250,000	6,250,000	November 26, 2014
	62,374,999	62,374,999	

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the MD&A constitute forward-looking statements within the meaning of applicable laws and regulations. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Gold Wheaton to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the integration of acquisitions, the absence of control over mining operations from which Gold Wheaton purchases gold and other precious metals and risks related to these mining operations, including risks related to international operations, actual results or current exploration activities, actual results of current reclamation activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section entitled “Description of the Business – Risk Factors” in Gold Wheaton’s annual information form for the fifteen month period ended December 31, 2008 available on SEDAR at www.sedar.com. These forward-looking statements are not guarantees of future performance and involve risks and uncertainties, which could cause actual results to differ materially from those anticipated. The Company expressly disclaims any obligation to update forward-looking statements unless so required by applicable laws.