

# GOLD STOCK ANALYST™

A Monthly Newsletter Finding **Undervalued** Investment Opportunities through Fundamental Analysis & Rankings of the largest North American-Traded Precious Metals Mining Stocks

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**Next Issue Mailed:** 9/3/02

## OUCH!

After a good run, gold stocks have temporarily pulled back on the metal's decline. To the broad markets we can now say "we feel your pain". Even tho it may have been externally caused (see JP Morgan article Page 6), this is a normal correction; the economic scenario driving the Dollar lower is unchanged and gold remains in an uptrend! (More Page 4.)

Most gold stocks remain well above their 12 months floors (see table), excepting two hedgers that made new lows the week of 7/22: 1) **Placer Dome**, led by Jay "I see no signs of market manipulation" Taylor, and 2) **Barrick**, whose leader, Randy Oliphant, says "We're staying with the program that gave us the only A rated balance sheet in the business." Despite the new lows, it was clear on Analyst Calls that same week that the companies' managements can't hear the footsteps of stockholders leaving.

## Proposed South African Mining Law

South Africa will, as soon as the President signs it, have a new mining law that converts properties owned by the mining companies into 30 year mining licenses. As a subset of this new law, miners will have to "empower" blacks thru some methodology to be determined.

Friday, 7/26, a purported draft of the future ownership rules ... *continued Pg 4*

	12 Month		7/30/02	%Abv
	Low	High	Close	Low
Gold	\$266	\$327	\$305	+15%
XAU	49.23	89.11	61.71	+25%
HUI	59.86	154.99	109.24	+82%
Agnico Eagle	\$ 8.00	\$17.98	\$11.96	+50%
Anglogold	15.20	34.66	22.26	+26%
Arizona Star	0.38	2.05	1.50	+295%
Ashanti	3.05	6.50	4.21	+38%
Barrick	<b>13.46</b>	23.49	<b>15.20</b>	<b>+13%</b>
Bema	0.29	1.92	1.04	+259%
Buenaventura	16.30	32.00	21.06	+29%
Cambior	0.35	1.79	0.83	+137%
Canyon	0.90	2.77	1.90	+111%
Claude Res	0.30	1.57	0.81	+170%
Crystalex	0.81	2.47	1.48	+82%
Durban Deep	0.75	5.88	2.97	+293%
Echo Bay	0.50	1.39	0.86	+72%
Eldorado	0.14	1.04	0.67	+378%
F'port C+G	9.40	20.83	15.55	+65%
Glamis	2.80	10.49	7.77	+178%
Goldcorp	4.69	12.35	8.55	+82%
Gold Fields	3.82	17.15	10.78	+182%
Golden Star	0.42	2.42	0.90	+114%
IAMGOLD	1.63	5.60	3.02	+85%
Harmony	4.51	19.00	11.77	+161%
Kinross	0.62	2.90	1.70	+174%
Lihir Gold	8.85	19.10	12.00	+36%
Meridian	7.41	20.64	14.59	+97%
Newmont	18.35	32.75	24.00	+31%
Richmont	0.80	4.40	2.65	+165%
Rio Narcea	0.29	1.31	0.90	+210%
Placer Dome	<b>7.91</b>	14.74	<b>8.55</b>	<b>+8%</b>
Royal Gold	4.46	15.95	10.40	+133%
TVX Gold	3.50	15.40	10.64	+204%
<b>White Metal: Ag</b>				
Apex Silver	7.78	18.12	13.49	+73%
Coeur d'Alne	0.63	2.50	1.59	+152%
Hecla Mng	0.77	5.90	3.07	+299%
Pan Am	3.00	9.85	5.97	+99%
Silver Std	1.47	7.80	4.39	+199%
<b>White Metal: Pt + Pd</b>				
No Amer Pd	3.48	6.35	5.40	+55%
Stillwater	9.95	28.88	8.95	-10%

• **Barrick's** hedge book had negative -\$261 mil Mark to Mkt on 6/30 at \$314 gold; book's Delta is 20: a \$1 increase in gold increases loss by \$20 mil! See Pgs 14-15.

• **Double Whammy** coming: #1: SEC next requires CEOs of 15K public co's to certify current/prior reports - will see anything questionable disclosed. #2: S&P to deduct option costs from earnings; makes EPS lower, P/E higher, implying stock overpriced.

• This issue late as **Anglogold**, updated company report herein, released 2Q data on 7/31, after we would have gone to press.

• Please **get together!** No Analyst Calls to review 2Q02 results 7/24 or 7/26. But, six scheduled calls for Thurs morning 7/25.

7/25 Analyst Calls	
Goldcorp	8:30AM
Placer D	9:30
Durban Dp	10:00
Barrick	10:30
Agnico E	11:00
Buenavent	11:00AM