



# GSA Pro<sup>TM</sup>

The version of Gold Stock Analyst newsletter for Professional Investors  
 Reports on 60+ Gold miners plus the mid-month GSA-Top10 newsletter

April 2018 • Since 1994 • Issue #288 • Editor: John C. Doody • Single Issue: \$249.00

## IN THIS ISSUE:

GSA's Top 10 Stocks	2
GSA Stock Data	4-6
Gold: Price, Stock Indexes, Market Indicators	7

## Reviewed Inside:

Goldfields	8
Golden Star	9
Guyana Gold	9
IAMGold	10
Kinross	11&12
Kirkland Lake	13
Leagold	14

## Mega-Oz Projects

Northern Dynasty	3
Novagold	15
Pretium	15
Seabridge	16

## Analyses Inside:

Top 10 News	3
-------------	---

Next Issue  
 Web Posted: 5/1/18

## Gold Stocks' Valuation Reset

Following the 2008 Crash and Gold's subsequent peak near \$1,900, there's been a reset of valuations for Gold Miners' Operating Cash Flow multiples (Market Cap/ Operating Cash Flow), one of GSA's key metrics.

While Gold has almost doubled from \$713/oz in Oct-08, the miners' stock prices have not recovered. This is best evidenced by the average Operating Cash Flow (OCF) multiples for GSA's 60 stock universe, from 2003 to date.

As chart shows, until the Crash, \$1.00 in OCF was worth 13.3X in average stock's value (i.e. \$100 mil OCF worth ~\$1.33 bil Mkt Cap).

Since the low, Gold has almost doubled, miners are financially healthier, but now \$1.00 in OCF is worth only ~\$5.20 in Market Cap.

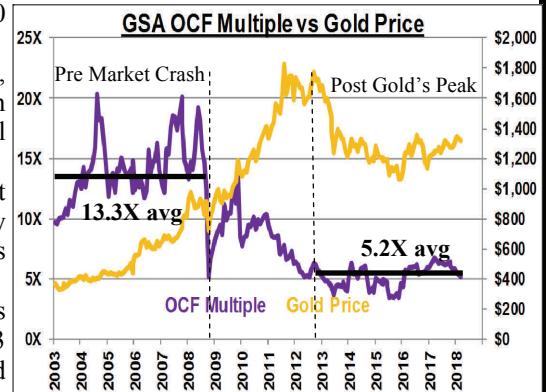
We know Why: Ill-timed deals near Gold's twin tops in 2011-13 loaded balance sheets w/debt. Add in generally bad management with poor cost controls, and investors fled the sector.

But GSA's record proves it's possible to make money in Gold stocks in any Market. And when Gold soars again, we will be invested and make the biggest gains, which come off the bottom.

The table to right is excerpted from GSA's 2017 Audit Report, discussed in March 15's *GSA-Top 10* and posted on our website.

Gold and the Stock Markets bottomed in 4Q08. Looking at results from 1/1/09 through end-17, the GSA Top 10 **added Alpha** by outperforming all... Gold, XAU Gold Stock Index and S&P 500.

GSA sees the current US political environment conducive for a War, Trade or Shooting or both. The former will be inflationary and the latter tragic. Either or both will be good for Gold.



1913 Stuart Avenue  
 Richmond, VA 23220  
 (804) 677-4343  
 www.alphaverification.com

Alpha Performance Verification Services

### Independent Verifier's Report

Gold Stock Analyst Top 10 Portfolio  
 Schedule of Investment Performance  
 As of December 31, 2017

	GSA Top 10	S&P 500	Gold	XAU Index
2009	130.0%	26.5%	24.4%	35.8%
2010	70.1%	15.1%	29.5%	34.7%
2011	-4.9%	2.1%	10.1%	-20.3%
2012	-3.5%	16.0%	7.1%	-8.3%
2013	-55.1%	32.4%	-28.0%	-49.2%
2014	11.9%	13.7%	-1.7%	-18.3%
2015	-30.2%	1.4%	-11.6%	-34.1%
2016	33.4%	12.0%	8.6%	74.1%
2017	13.9%	21.8%	13.1%	8.1%
<b>Total Return</b>	<b>165.6%</b>	<b>141.0%</b>	<b>51.5%</b>	<b>22.5%</b>
<b>GSA's Alpha</b>	<b>—</b>	<b>+24.6</b>	<b>+138.7</b>	<b>+143.1</b>

**Coverage Dropped:** Newcastle merged into Equinox (report Mar-18 *GSA-Pro*); Klondex being acquired by Hecla (coverage in *GSA-Silver*).

Internet: [www.GoldStockAnalyst.com](http://www.GoldStockAnalyst.com)

100% Subscriber Supported