



GSA ProTM

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

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**Next Issue
Web Posted:** 1/1/15

Where Are We Now?

Based on 12/1/14's \$1,211 close in NY for Gold, and GSA's proprietary Market Cap/oz data base, gold stocks trade as if gold was \$616/oz; Gold stocks on average are:

-49% Undervalued

Gold Slammed

Once again, when Gold market is quiet, the Metal gets hit by a seller with little regard to getting the best price. When a seller dumps Gold over a holiday, when potential buyers are busy with Thanksgiving on Thursday Nov 27 and then Black Friday shopping and then the weekend, it's clear the goal is to force Gold lower. Mission accomplished, as the Metal hit \$1,150 early Monday in Asia before bouncing \$62 higher to end the day in New York at **\$1,211/oz.**

While most investors focus on just price, seller motivation should also be studied, The Gold sellers are likely hedge funds and/or banks acting for themselves or governments that want to break the monetary policy thermometer (Gold price) that's an easy reference for all to judge the success/failure of central banks' programs.

More important, Who is the buyer? The Chinese have been vacuuming up Gold over the last several years without saying Why, or even admitting that are doing so. GSA thinks their goal is establish a reserve currency like the Dollar or Euro.

Survivability at \$1,000/oz

In periods of downward price pressure, subscribers always want to know which of the *GSA-Top 10* and *GSA-Silver* might not survive in a prolonged low price environment. Of course, one cannot answer the question without knowing 1) What low price and 2) For how long? The individual company answers can be found by reading GSA's reports and paying special attention to the miners' All-in Sustaining Costs (AISC) and the cash on their balance sheets.

The Nov 20 issue of *GSA-Silver* addressed Industry profitability and concluded only eight of the nineteen producers covered have an AISC below the \$19.41/oz, average Silver price for 2014 through the issue's date. (The eight remaining Silver stocks covered by *GSA-S* are Royalty earners or not in production.)

This page is also posted for public viewing so we don't list by name, but investors should know their investments well enough to recognize each of the Top 10 below.

In the GSA-Top 10, two are Royalty earners and not threatened at almost any price or time period. Three are building mines and are totally or almost financed through to production. After the normal 6 to 12 month startup period inefficiencies, all have forecast AISC below \$1,000/oz and should survive \$1,000 Gold.

Sixth is a big mine ramping up to 600K oz/yr and continues in the "teething" period as operations stabilize at the forecast rate, with AISC under \$1,000/oz. This is an acquisition target. The seventh is not producing as has just received its Mine Operating Permit, but a enviro group challenge now delays financing and construction start. With the permit resolved, this too is a prime take-over candidate.

The remaining three Top-10s are Growth Producers. All hold significant cash and are well under \$1,000 AISC at existing and planned future mines. At \$1,000 Gold none are threatened until 2019/20 when each has \$300+ mil debt due. Several years of \$1,000 Gold would simply postpone mine construction.

GSA's 2015 Annual Investor Day:

Sunday Feb 22 at Ft Lauderdale's Hyatt Pier 66 Resort.

Presentations by Top Management

from GSA-Top 10 and GSA-Silver Fave 5 Stocks

Luncheon Keynote Speaker: James Grant. Details Page 8