



# 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

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## Beyond the GSA Top 10

Subscribers often ask what's GSA's #11 stock, the one next in line to be promoted to the Top 10? In reality there is no #11, but there's often a group of stocks that are eligible for the Top 10 when an opening occurs. Which one fills the slot usually depends on a variety of factors both internal and external to the company.

The Top 10 has three stocks we see ripe for takeover... **Golden Queen**, **Belo Sun** and **Sabina Gold & Silver**, so there's a possible vacancy coming soon.

Candidates for the next Top 10 slot are thumbnailed below, along with key factors that might affect their promotion. In alphabetical order (for more details see their full reports in *GSA-Pro*):

**Alio Gold** (formerly Timmons): Developing 116K Au oz/yr Ana Paula mine on Guerrero Gold Belt, home of Torex 365K oz/yr ELG mine and Leagold's 215K oz/yr Los Filos. Both hunt for next mine and could acquire Alio, which needs permits.

**Aurico Metals**: An \$8+ mil royalty earner with Canada and BC permits to develop Kemess Underground mine at former Kemess Open Pit Au/Cu mine that prod ~3 mil Au oz and 750 mil lbs Cu to 2011. KUG would prod 105K oz Au and 50 mil lbs Cu/yr. Nearby Kemess East would add 80K Au oz and 55 mil lbs Cu. With a royalty portfolio worth ~\$100 mil, a stream sale and debt, 25K t/d mill still on the site, the ~\$700 mil total capex for KUG and KE together might be achievable.

**Falco Resources**: Run by team that sold Malartic mine to AUUY/AEM for ~\$3 bil. Plans to restart Horne w/prod 11+ mil Au oz and 2.5 bil lbs Cu to 1976. Signif develop work done before closure, needs \$680 mil for capex. Feasib Study due now.

**Newcastle Gold**: Restarting still permitted Castle Mtn mine in CA at 176K Au oz/yr from \$271 mil capex. Controlled by Augustagroup with a history of optimizing projects and selling to an operator. Ventana Gold sold in 2011 for C\$1.6 bil, Augusta Res in 2014 for \$666 mil. New Prelim Econ Analysis coming.

**OceananaGold**: New 200K Au oz/yr Haile mine having teething issues, but should be soon solved. Philippines Au/Cu mine permit appears safe for 120K Au oz/yr. Can New Zealand mines deliver past total 300K Au oz/yr, or will they begin prod decline? Study on one, Walhi, due 4Q17.

Next Issue  
Web Posted: 8/1/17

## Where Are We Now?

Based on 06/30/17's Comex close at \$1,242/oz Gold, and GSA's proprietary Market Cap/oz database compiled since 1994, Gold stocks trade as if Gold was \$1,123/oz. On average, Gold stocks are:

**Undervalued -10%**

## "Blog Worthy" News

Companies regularly issue press releases and GSA reports most of them in *GSA-Pro* and *GSA-Top 10*; and if it's very important we will blog. We won't blog if the news does not change our opinion and/or the press release is self-explanatory.

For example: **Eldorado** on June 27 said recoveries at its Kisladag mine from its now 80 meter high heaps are slower, much due to the longer time necessary for the Gold pregnant solution to reach bottom and be collected on the pads. This results in ~42K ounces being delayed from 2017 and they will, as the release says, "be produced in the first half of 2018". This is simply a timing issue and not "blog worthy" as the total ounces produced is unchanged

GSA now sees EGO's total prod from its 3 mines in 2017 at 340K, and in 2018 at 472K oz. Cash costs are unchanged at ~\$500/oz.

Internet: