



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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Coverage dropped for DRDGold, Harmony, and Sibanye. See adjacent article. Anglo will return to "A" section.

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**Next Issue
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Where Are We Now?

Based on 05/01/17's NY close of \$1,257/oz, and GSA's proprietary Market Cap/oz data base since 1994 **Gold Stocks** trade as if Gold was \$1,123/oz, making the stocks.

-11% Undervalued

Out of (South) Africa!

Since GSA's start 23 years ago in 1994, we have followed the major South African (SA) Gold miners. In the beginning, they were all pure SA, with no mines outside the country. But as the elected Govt passed laws that slowly increases local ownership of the mines, and benefit their SA cronies at the expense of shareholders, some miners diversified out of SA (AngloGold and Gold Fields) while others doubled down on SA (DRDGold, aka Durban Deep, Harmony, and Sibanye).

Those that diversified out, Au and GFI, remain "investable" stocks even though they will ultimately lose their SA mines, in GSA's opinion. Those that have remained in... DRD, HMY and SBGL... are now or will soon be crony run and are not "investible". Because they are almost solely dependent on SA, we are dropping coverage of the latter three. See table:

2016 Prod	Anglogold	DRDGold	Gold Fields	Harmony	Sibanye
SA Gold Prod	967K	134K	290K	1,068K	1,510K
Total Gold	3,628K	134K	1,948K	1,068K	1,510K
% SA Prod	27%	100%	15%	100%	100%

The benefit to GSA subscribers is that we can increase coverage of emerging producers, with 7 new miners added over the current 5 issue alphabetical cycle. Perhaps one of these will become our tenth stock in the GSA Top 10 portfolio, which now has two openings. Stay tuned.

A thumbnail on each of the 7 new stocks:

Company	Notes:
Asanko	1st report in April <i>GSA-Pro</i> . Ghana mines grow from 148K in 2016 to 400K+ in 2020 if raises \$480 mil needed for expansion.
Brio	1st report in April <i>GSA-Pro</i> . 3 high cost Brazil mines; 15% spun out of Yamana which wants to sell the rest, so shares overhang stock price
Falco	1st report this issue. Past producing Au/Cu mine. \$680 mil capex to restart for 236K oz/yr at \$427 AISC and 16% IRR after tax.
Klondex	Prod 161K GEO (Au/Ag) in 2016 from 3 Nevada mines; sees 215K GEO at \$700 cash/oz, \$1,100 AISC in 2017.
Leagold	New owner of 275K Au oz/yr Los Filos mine in Mexico formerly owned by Goldcorp. Near Torex's 365K oz/yr ELM mine.
Newcastle	Restart of fmr producing Castle Mtn mine, shut due low Gold price reopens 2019 at 140K oz/yr w/potl to double due 4.2 mil oz mnrilz
Trek	Will restart Aurizona mine (fmrly Luna's) in Brazil w/correct mill for the ore in late '18 at 150K oz/yr at \$708 AISC/oz