

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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Silver Stocks:

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Coeur d'Alene	9
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Excellon	3
First Majestic	11
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Mines Mngt	3
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Silvercorp	14
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SNS Silver	3
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PGMs:

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Next Issue
Web Posted: 4/1/08

Where Are We Now?

Based on 2/28's \$960/oz Gold, and GSA's proprietary Market Cap/oz database compiled since 1994 for Rising and Falling Gold price trends, **Gold Stocks trade as if Gold was \$878/oz.** On average, **Gold Stocks** are:

Undervalued -9%

Silver:

A Derivative of Gold

As seen in the adjacent chart, the nature of the Silver users market has shifted from Deficit, with Demand exceeding Supply, to near Balanced, as the latter has grown and the former stayed flat.

All is not lost, however, as this chart from the Silver Institute, www.silverinstitute.org, does not include investment demand from the new Silver ETFs. The largest, SLV, now holds ... *continued Page 17*

From "Deficit" to a Balanced Market



Source: www.gfms.co.uk

Silver Stock Index

Beginning this issue, on Page 7, GSA introduces mining's first Silver Stock Index. Comprised of the currently covered 15 stocks, with market caps ranging from \$25 mil to \$4 billion, the Index assumes equal investments in each to start the year... as we suggest for the Top 10, and as most investors commit their money. At the start of each new year, the Index portfolio is again rebalanced to equal investments.

As seen (Page 7), the Index, after being flat to down in the 1990s has soared in the current bull market, from a low of 47 to a current level of 4118, a gain of 8,760%!

But, there's now great disparities between individual stocks performance. For the ten stocks adjacent (having enough trading history), we regressed its stock price versus Silver price to get an historical relationship, which is shown in their reports herein.

Then, given where the stock price is now, we calculate where it "should be" given its past relationship and current Silver price. As seen in the table, the average Silver stock trades at 82% of where it would be expected to trade based on its past relationship to Silver price. While 8 are below the average, two, Coeur and Pan Am, trade above expectations indicating that investor interest does exist, but they are very selective.

Stock	% of Expected Price at \$19.26/oz Silver
Coeur	106%
Endeavour	74%
First Majestic	76%
Hecla	87%
Mines Mngt	67%
Pan Am	110%
Apex	82%
Silver Wht	82%
Silver Std	71%
Silvercorp	61%
Average	82%

• **\$368/oz P+P:** The effective price Barrick pays with its \$1.6 bil buyout of 40% partner's interest at Cortez mine. This ~\$100/oz premium to GSA industry average (Page 6 every issue), and likely justified by ABX's further expectations at site.

• **Editor interviewed:** Jim Puplava's **Financial Sense Newshour** on March 1, 2008. Listen in here: <http://www.financialsense.com/fsn/main.html>

• **Editor speaks:** in Toronto on March 2 at PDAC, mining's largest convention: www.pdac.ca Over the 4 days, will meet with 7 of Top 10 and search for others with Top 10 potential. Full report in March mid-month Update.

Change in Top 10; Who/Why starts on Page 2