

GSA-ProTM

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

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Where Are We Now?

Based on 3/29's close for Gold at \$1,597/oz, and GSA's proprietary Market Cap/oz database compiled since 1994, Gold Stocks trade as if Gold was at \$1,054/oz. On average, Gold Stocks are:

Undervalued -34%

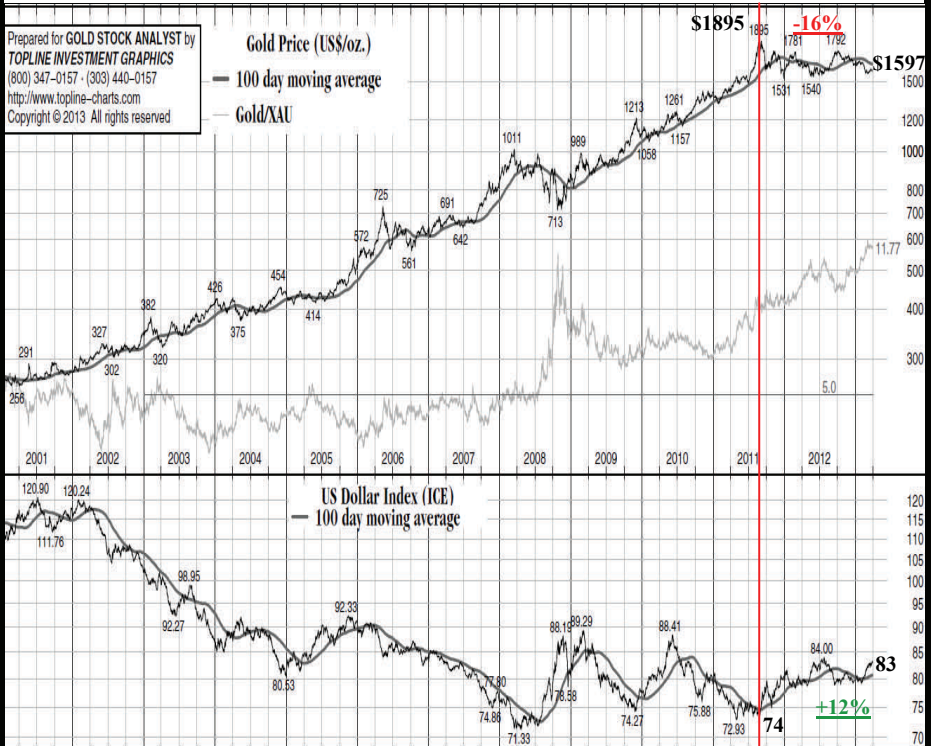
Gold vs US Dollar

Since Gold's peak in August 2011 at \$1,895/oz it slid to \$1,597 on March 29, 2013, off -16% (see chart below). It's not a bear market, which is typically thought of as 20% off the high, but that's little consolation for Gold investors.

The main cause of this slippage, we think, is the strength of the US Dollar, +12%, over the same period. As GSA's favorite technical analyst, Ian McAvity, often says "It's the best looking horse in the glue factory". With Euro, UK and Japan's economies sinking and in a worse condition than the US, which appears to be in a mild recovery, the Dollar attracts Central Bank buyers. They now hold a record \$5.6 trillion of US Treasury debt, up \$560 bil or 11% vs year ago.

Central Bank Gold holdings are up 466 tonnes (14.5 mil oz) over the year, but the increase was only +1.5% in their total holdings, or \$23 bil at \$1,600 Gold.

Clearly, to GSA anyway, it will take an increased flow of funds into the Gold market to spark the Metal's recovery, and that will have to come from individuals.



Up Coming: GSA will be joining Royal Gold and Thompson Creek executives on a trip to the Mt Milligan minesite April 2-4. Nearing construction completion, a successful startup at Mt Milly is hugely important to both companies. It's 3 flights and 15 hours of flying from Ft Lauderdale to Prince George, BC and then a 3 hour bus ride to the mine. The 18 hours of travel in each direction is well worth it to get a first hand update. Full report in April 15 issue of GSA-Top10.