

# 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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**Next Issue Web Posted:** 4/1/09

## Where Are We Now?

Based on 2/23's \$986/oz Gold, and GSA's proprietary Market Cap/oz database compiled since 1994 for a Rising Gold market, **Gold stocks trade as if Gold was \$789/oz** (more Pg 15). On average, Gold stocks are:

**24% Undervalued**

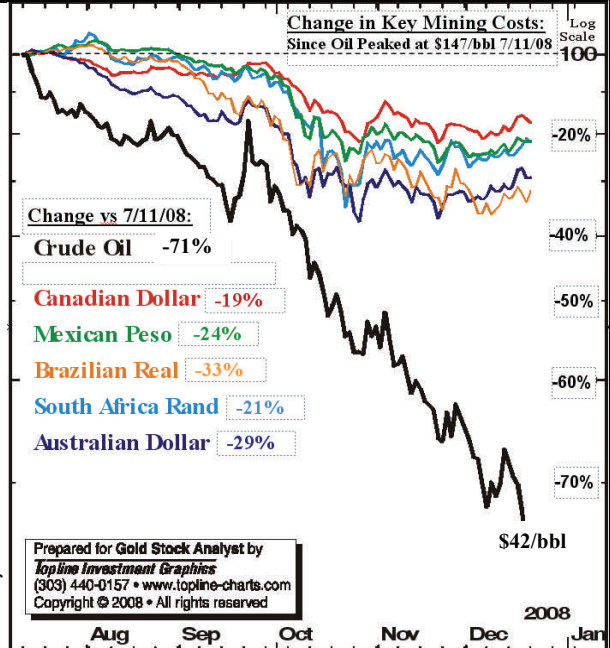
## Gold Miners' Profits Increasing

As forecast when we first ran the chart to right in Jan-09 issue, three factors are at work to make Gold mining a unique industry in the current financial crisis.

Gold miners should earn higher profits due to:

- 1) Lower Oil price; power is ~25% of mining's cash operating costs and Oil's \$100/bbl drop falls directly into profits.
- 2) Weaker mining nations' currencies means local costs convert to fewer US\$.

We saw the beginning of this trend in 4Q08 results, reported for the largest miners in the table below. While the big US Gold miners, **Barrick ... continued Pg 15**



## Cash costs/oz Gold Produced

Qtr ended:	6/30/08	9/30/08	12/31/08	Chg from Peak Cost/oz	2009 Fcst Cash Cost/oz
Gold Fields (FY)	\$502	\$617	\$487	-21%	\$500
Harmony (FY)	\$556	\$629	\$527	-16%	\$550
AngloGold	\$434	\$486	\$422	-13%	\$442
Kinross	\$466	\$406	\$375	-20%	\$405
Newmont	\$440	\$480	\$448	-7%	\$420
Goldcorp	\$308	\$346	\$323	-7%	\$365
Barrick	\$417	\$464	\$471	+2%	\$463
Avg cash/oz	\$445	\$490	\$436	-\$54/oz	\$449 ('09 avg)
Gold Avg Price	\$896	\$872	\$795	-\$77/oz	\$986 (2/23/09)
Avg Margin	\$451	\$382	\$359	-\$23/oz	<b>\$535</b> (+49% vs 4Q08)

• Beginning a trend? **Russia** said 2/17 would increase Gold's portion of its central bank reserves to 10%; means Gold holdings increase from ~16 mil to ~39 mil oz.

• **Editor speaks:** March 1 at PDAC, www.pdac.ca, and chairs Silver Forum on March 3 from 2 to 5 PM. This is the biggest of the investor conferences and it's part of the largest mining trade show, so many top execs are in town. Of the ~550 miners exhibiting, GSA covers 42, and 7 are Top 10 (others are not Gold/Silver, or not in/near production). March Update will feature a full conference report.

• Editor's next on Jim Puplava's excellent **FinancialSense.com** program Sat, 3/14.