

GOLD STOCK ANALYST™

Professional Grade • Totally Independent

August 2010 • Since 1994 • Issue #195 • Editor: John C. Doody • Single Issue: \$150.00

IN THIS ISSUE:

GSA's Top 10 Stocks	2
GSA Stock Data	4-6
Gold, Price, Mkt Data	7

Reviewed Inside:

Agnico Eagle	8
Alamos Gold	9
Allied Nevada	9
Anatolia	12
AngloGold-ASL	10&11
<i>Atna (Canyon)</i>	3
Aura	13
Aurizon	13
Barrick	14-15
B2Gold	12

Analyses Inside:

Company Report Stock	
Price Charts	3
Top 10 Comments	16
FOMC: Deflation	
Protection Team?	16

Next Issue **9/1/10**
Web Posted:

Where Are We Now?

Based on 7/30's \$1,169/oz Gold, and GSA's proprietary Market Cap/oz data base compiled since 1994 for Rising and Falling Gold price trends, **Gold stocks trade as if Gold was \$1,106/oz.**

On average, Gold stocks are:

-5% Undervalued

The Russians are Leaving!

Sitting on the beach while recently vacationing in France, your Editor mused why the Russian kleptocrats seem obsessed with huge yachts, trophy homes and sports teams. (See pix for some trophies owned by just one, Roman Abramovich, rich from oil/aluminum and he also owns UK's Chelsea Football team.) Many of America's billionaires, Bill Gates and Warren Buffet for example, are also self-made but are never associated with such ostentation. Can these Russians simply be boorish *nouveau riche*, or is there a method to their madness?

Since no single person could use all Abramovich's yachts (said 5) and homes (unknown #), GSA concludes the real purpose of accumulating assets outside of Russia is to cover the export of wealth to locales w/stable private property rights.

As former Yukos head Mikhail Khordorkovsky (now jailed for alleged tax evasion) has learned, there are no solid private property rights in Russia. Many key industrial firms were effectively stolen by oligarchs after the fall of the USSR, but with no sanctity of title, the oligarchs own at P.M. Putin's pleasure. Accordingly, they suck money from the businesses and put it into foreign assets that might be excused as personal toys, yet can be readily sold and converted to cash if needed.

If Russians see their ownership as tenuous, GSA sees no need to take added risk by recommending gold miners such as **Polyus**, or even Canada-based **Kinross**.

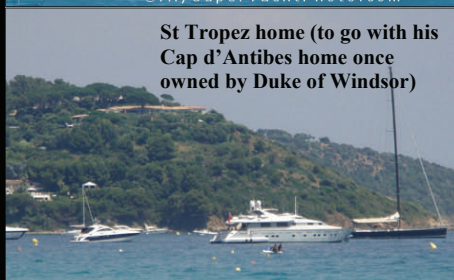
Abramovich trophy toys include two new yachts for 2010



© PH/SuperYachtPhoto.com



377' Luna dwarfs others off St Tropez



St Tropez home (to go with his Cap d'Antibes home once owned by Duke of Windsor)



70 acre waterfront estate w/1,000' beach on St Barth

• **S&P500: A Valid Performance Index?** Comprised of the largest US firms, it's a good proxy for the US economy and most money managers, including GSA, use it to benchmark performance. We track it to compare the GSA Top 10 and for recent articles showing how Gold performed vs stocks since its price was freed March-68.

But, how valid is it as a benchmark? Not very, we conclude. Of the 500 S&P stocks in March-68, only 86 survive. Since then over 16,000 stocks have come and gone from the Index thru buyouts, bankruptcies or delistings. The current S&P500 is not your father's. Some say the Index understates stock market performance because it doesn't include dividends. But, GSA believes it may actually overstate results as it only includes survivors and not the many failures that would have to be carried forward at zero to provide true long term performance results.