

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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Where Are We Now?

Based on 7/31's \$939/oz London fix, and GSA's proprietary Market Cap/oz data base compiled since 1994 for Rising and Falling Gold markets, **Gold Stocks** trade as if Gold was \$933/oz, and are

-1% Undervalued

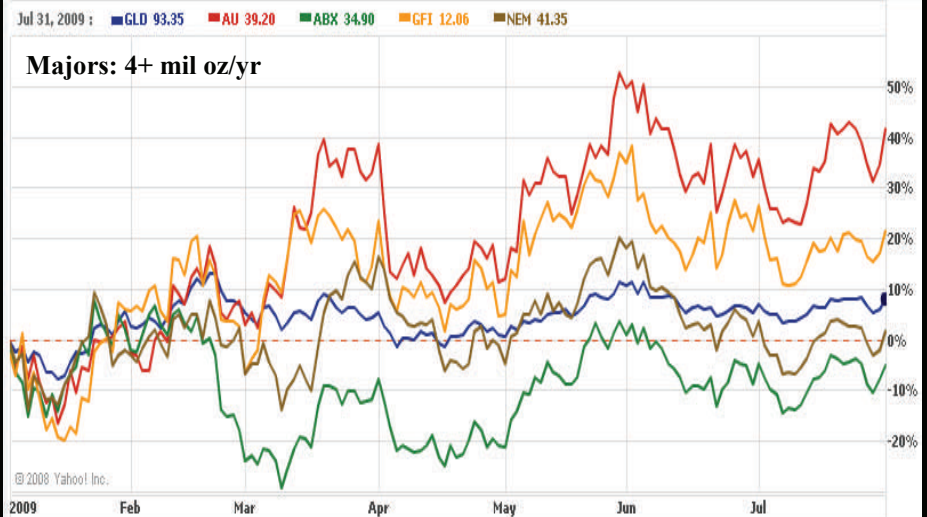
The Best Performance is Down the Food Chain

Here we examine the relative performance of 4 different sized groups of producing miners versus each other and Gold for first 7 months of 2009 (for charting ease we've used the Gold ETF, symbol GLD).

The investor rule of thumb is that Gold stocks usually gain 2X to 3X that of Gold in a rising market. This is because they earn higher profits from current production, and their unmined reserves are worth more at a higher Gold price.

Of the total 26 stocks examined, 21 beat Gold's +9% YTD gain. But by group the results varied widely. In two of the groups only 50% of the stocks beat Gold, while in the other two, all of the stocks beat the Metal. (All charts are from Yahoo.com show color-coded performance by symbol and their 7/31/09 closing prices.)

Charts of the Majors are below, the 4 miners producing ... *continued Page 16*

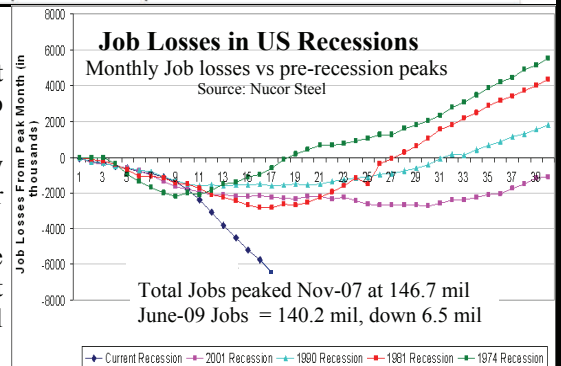


Recovery Coming?

Not for jobs! Adjacent chart shows how this recession's job losses compare to the last four.

Note it has taken progressively longer for jobs to recover to their peak pre-recession level.

Given the 6.5 mil depth of the current losses, it's likely that successive stimulus efforts will hallmark Obama's first 4 years.



• **Campaign to Audit the Fed** info: <http://www.campaignforliberty.com/campaigns/hr1207home.php/> Since the Fed lists the US's 261.5 mil oz Gold reserves on its balance sheet (at the official \$42.22/oz price), if this becomes law, perhaps we'll finally find out if the Gold is really there!