

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?

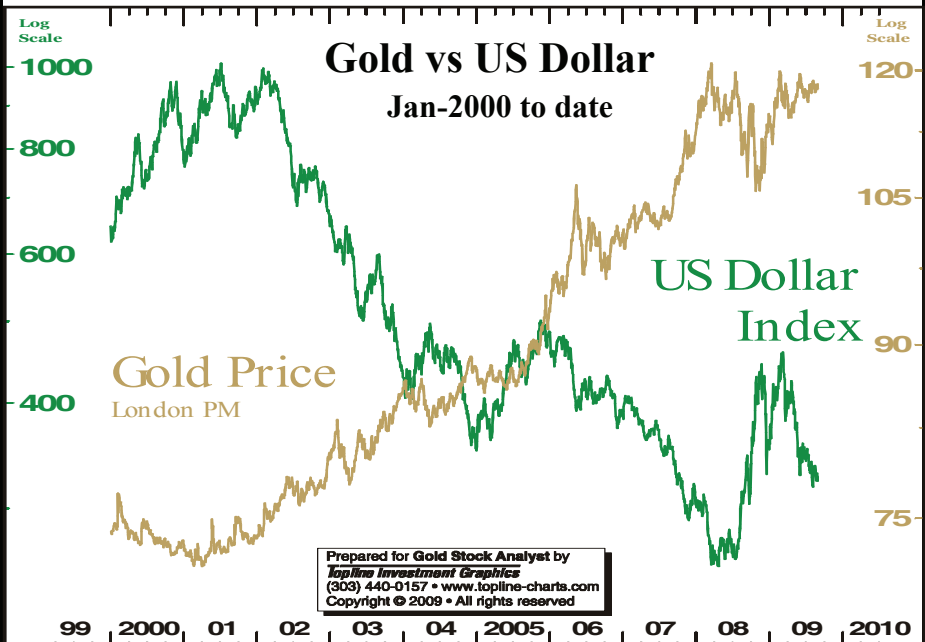
Based on 8/31's \$951 Gold, and GSA's proprietary Market Cap/oz data base since 1994 for a Rising Gold Market, gold stocks trade as if gold was \$934; gold stocks on average are:

-2% Undervalued

"Trends Continue Until They Stop"

This pearl of wisdom, from Herb Stein economic advisor to Nixon and Ford, can be applied to the trends of Gold and the US Dollar and their inverse relationship.

In a world where the supply of Dollars is increasing and the supply of Gold decreasing (see further below), the long term future can only be one of a higher Gold price and a lower Dollar value. Ignore the trend at your own peril.

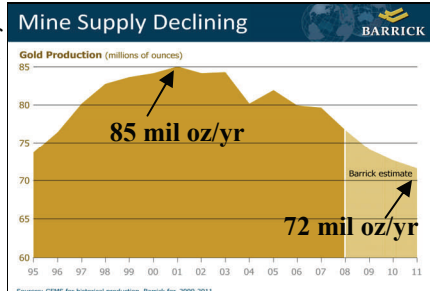


Gold Supply Falling

In a recent presentation, Barrick sees mine supply falling 15%, by 12 mil oz/yr, in the decade since Gold's \$256/oz low in Apr-01 when output peaked at 85 mil oz.

The newly signed Central Bank Gold Agreement, cuts their Gold sales in each of the next 5 years by 3 mil oz/yr to 13 mil oz/yr, which itself is a number that actual sales have not reached since 2004.

The 16 mil fewer ounces/year available for sale in the market, at a time when investors are seeking a safe haven, can only have one impact: a higher Gold price.



• **Denver Gold Forum:** The annual invitation-only event for analysts/money managers takes place Sept 13-16, 2009. Presentations will come from 87 miners, including 63 covered by GSA and 8 of the Top 10. Mid-Sept's Update will highlight what we've learned over the 4 day conference and perhaps add a 10th to the Top 10.