

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?

At 12/17/04's \$439/oz Gold, based on GSA's Market Cap/oz database since 1994, gold stocks trade as if gold was \$387; gold stocks on average are:
Undervalued 21% based on MC/oz P+P
Undervalued 22% based on MC/oz Prod

3Q04 US Current Account Deficit

dipped slightly as a percentage of US GDP, as the total deficit was flat at -\$659 bil and US economy expanded.

This data is slightly less than the -\$663 to -\$692 bil range GSA expected in Dec issue and begs question of "Where from here?"
 GSA expects ... Page 16

United States: (Annualized Rates)	1Q04 (Actual)	2Q04 (Actual, revised)	3Q04
Trade Deficit	-\$554 bil	-\$601 bil	-\$623 bil
% Trade of CAD	94%	90%	95%
Curr Acct Deficit	-\$589 bil	-\$658 bil	-\$659 bil
US GDP	\$11,473 bil	\$11,658 bil	\$11,803 bil
% CAD of GDP	-5.06%	-5.64%	-5.58%

Glamis Tops WHT's deal w/Goldcorp

GG's purchase of Wheaton (1.0 GG for 4.0 WHT) announced Dec 5, really a reverse takeover by WHT, has a 21 day window that ends Dec 26 for other bids for GG to come forth. Glamis, negotiating w/GG thru the Fall, had seen its 0.89 GLG per 1.0 GG shr accepted by GG's Special Committee and then rejected by GG's full Board Nov 22, decided to go public w/same bid Dec 15. While offering a 22% premium the GG/WHT deal does not have, GSA expects GLG's bid to fail as there's no position for GG head McEwen and it needs GLG shareholder OK on 2/9/05, an uncertainty GG can use as a reason to reject unless a still higher premium is offered.

Tax Loss Selling

2004 is the first year in the current gold bull market that tax losses were likely taken.

The table to the right lists GSA-covered stocks that are down 50% or more from their 52 week highs. Tax loss selling has probably already impacted their prices and some could be poised for a rebound in 2005.

See company reports for our current opinion on each.

Company	52 wk Hi	12/17/04	% Loss
Apollo Gold	\$2.59	\$0.80	-69%
Canyon Res	\$5.36	\$1.19	-78%
Durban Deep	\$4.10	\$1.63	-60%
Golden Star	\$8.17	\$3.60	-56%
Golden Queen	C\$1.20	C\$0.43	-64%
Metallic Vent	C\$9.10	C\$1.78	-80%
Mines Mngt	\$9.70	\$4.40	-55%
Miramar	\$2.93	\$1.14	-61%
Nevsun	C\$7.05	C\$1.90	-63%
Pacific Rim	\$1.85	\$0.63	-65%
River Gold	C\$4.65	C\$1.78	-62%

- Page 5 data updated to include 2005 Production and Cash Cost/oz forecasts.
- **Addition to GSA Top 10;** see Who and Why on Page 2.
- How closely correlated are Gold Stocks and Gold? See Page 6 analysis.
- *The Coming Collapse of the Dollar and How to Profit from it.* Excellent new book from James Turk and John Rubino. Details/order info: www.dollarcollapse.com



Happy Holidays to All!
GSA will be closed until January 6, 2005