

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 Mailed: 4/1/03

Where Are We Now?

At 2/21/03's \$352/oz Gold, and based on GSA's proprietary Market Cap/oz database compiled since 1994, **Gold stocks are trading as if Gold was \$317/oz.** On average the stocks are:

Undervalued 21% based on MC/oz P+P

Undervalued 29% based on MC/oz Prod

Valuation Model

Subscribers have been asking for an update of our target price analysis run last summer; this will run again, based on our \$450/oz target, once we have year end balance sheets and new P+P reserve totals.

Until then, the adjacent model is a simple but useful tool to help find undervalued gold stocks. The premise is that when a stock's price is low and yields a Mkt Cap/oz P+P such that when added to the cash cost/oz Production, the total is less than the current gold price, (a negative number result) the stock may be undervalued and merit study. Evaluate further if:

MC/oz P+P + Cash/oz < Gold Price

Company	Mkt Cap/ Oz P+P	+Fcost Cash Cost/oz	= Total	- 2/21 Au Price	Net
Freeport C+G	57	by-prod	57	- 352	-296
Randgold	124	\$100	224	- 352	-128
Ashanti	37	\$210	247	- 352	-105
Gold Fields	75	\$195	260	- 352	-98
Harmony	54	\$205	259	- 352	-93
Eldorado	70	\$190	260	- 352	-92
Buenaventura	117	\$150	267	- 352	-85
Golden Star	64	\$205	269	- 352	-83
Placer Dome	76	\$194	270	- 352	-82
Northgate	84	\$196	280	- 352	-72
Lihir Gold	58	\$225	283	- 352	-69
Barrick	99	\$185	284	- 352	-68
Cambior	47	\$237	284	- 352	-68
Anglogold	99	\$190	289	- 352	-63
Durban Deep	43	\$275	318	- 352	-34
Bema	137	\$185	322	- 352	-30
Newmont	127	\$195	322	- 352	-30
Rio Narcea	197	\$125	322	- 352	-30
Crystallex	105	\$222	327	- 352	-25
Apollo Gold	117	\$220	337	- 352	-15
Richmont	176	\$165	341	- 352	-11
"New" Kinross	156	\$195	351	- 352	+1
Canyon	192	\$175	367	- 352	+15
IAMGOLD	202	\$217	419	- 352	+67
Goldcorp	382	\$ 93	475	- 352	+123
Agnico Eagle	\$350/oz	\$125/oz	\$475/oz	- 352	+123
Claude Res	288	\$190	478	- 352	+126
Glamis	356	\$170	526	- 352	+174
Meridian	682	\$102	784	- 352	+432

Gold Stocks' Price Action

As indicated in the lower left box, gold stocks are trading well below where they should be at \$352/oz gold. Is gold pointing the way higher and the stocks have to catch up, or the reverse? GSA thinks the former. As Rick Sacks discusses on Page 13, gold is in the early stages of a secular bull market. BUY gold stocks now and you'll be well-rewarded when the general public finally gets on the bandwagon.

- **Mark your calendars:** GSA's Editor will be speaking at these 2003 conferences: Toronto: PDAC; Mar 9-12; Las Vegas Gold Show: Apr 26-27; New York: Sept 8-9; San Fran: Nov 23-34. For more info on the US Shows: Call I.I.C. at 800-282-7469.
- Aussie **Sons of Gwalia's** price collapsed in past year from A\$8.00 to A\$1.60; investors reacted to recent news it would not pay a dividend due negative cash flow, empty bank account, and Gold/Forex hedge book worth negative A\$700 mil end-02.
- From the **No good deed goes unpunished Department:** After GSA exposed **Silverado** and **Renaissance** as overvalued tout stocks (in our opinion), our website was bombarded with attacks by the "Klez" virus. Fortunately, we've got excellent virus protection and no damage has been done.
- **Ashanti** rights offering, 16.5 mil shrs at \$5.40, should be effective early in March and could put downward pressure on stock's price (\$6.30 on 2/27).