

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: 10/1/02

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|--------------|---------------|------------|
| Agnico-Eagle | Coeur d'Alene | Harmony |
| Bema Gold | Crystallex | Hecla |
| Cambior | Eldorado | IAMGOLD |
| Canyon Res | Gold Fields | Silver Std |
| Claude Res | Goldcorp | |

Issue #100 for GSA

The first was October 1994 and starting with 1995 we began the GSA Top 10. For the adjacent table, we turned the Top 10's annual performances into an Index to compare to the XAU; we like the results!

Many thanks to all our subscribers that made the last 100 issues possible and here's to the next 100!

GSA Top 10 vs XAU Index 1/1/95 to date

| | 1/1/95 | 8/27/02 | % Chg |
|------------|--------|---------|--------|
| GSA Top 10 | 100.00 | 131.90 | +31.9% |
| XAU Index | 109.33 | 67.65 | -38.1% |

Email to a College Classmate

Your Editor recently heard from a Columbia classmate, with whom touch had been long lost. He knew I was "in the Market", but little more, and sought help.

Yes, Tom, the Market is "sickening", but I'm afraid I'm in the camp that sees it not improving soon. The SEC rule on CEO's certifying financials is being extended to all 15,000 public companies... this may bring more questionable deals into the light and will certainly limit profit boosting gimmicks in the future. And, options are going to be counted as pay, as Warren Buffett suggests. GE, Coke, and others will deduct options as an expense and momentum builds. The techs resist, but with S&P saying it will deduct the costs to get net earnings, regardless, the techs ultimately lose the argument. Deducting options will drag down reported earnings and make current P/Es look expensive. It's going to take a couple of years to work through this for earnings comparisons to year ago levels.

To confess, I have a bias... the market niche I write about is gold stocks. (Here's the website: <http://www.goldstockanalyst.com>.) I expect gold to do very well the next couple of years...my Top 10 were up 21% in 2001 and another 74% in 2002.

These results are not directly due to the weak US Markets, but due to the US Dollar and our huge current account deficit... we're set up for an exact repeat of 1985 - 1987. Then the Dollar had been strong due to the high US "real" interest rates of the early 80s. The World wanted to own US bonds and foreign money flooded in, driving the Dollar to an overvalued level. ... continued on Page 3

Placer Gets Religion!

Finally recognizing its big hedge book contributes to its poor stock market performance, PDG said 8/29 (as GSA went to press) would cut book from 8.5 mil oz on 6/30/02 to 6.8 mil by 12/31/02. For 2003, 90% of est 2.5 mil oz prod unhedged.

The New York Gold Show

returns to the Marriott Marquis Sept 23-24 (Mon-Tues) and features an all-star speaker lineup headed by James Grant of *Grant's Interest Rate Observer*.

Also speaking are many mutual fund managers, including Tocqueville's John Hathaway, Prudent Bear's David Tice, and Van Eck Global's Harry Bingham; plus private money managers Rick Sacks of Phoenix Advisory and Adrian Day of Global Strategic Management.

Mining companies exhibiting include the 15 to the left covered by GSA and over 50 others. Get more info from IIC at 800-282-7469 or www.iiconf.com.

Your Editor speaks 10:50 AM Monday and 7:10 AM Tuesday. See you there!

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