

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 Web Posted: 8/1/07

Where Are We Now?

Based on 6/29's \$651/oz Gold, and GSA's proprietary Market Cap/oz database compiled since 1994 for Rising and Falling Gold price trends, **Gold Stocks trade as if Gold was \$597/oz.** On average, Gold Stocks are:

Undervalued -8%

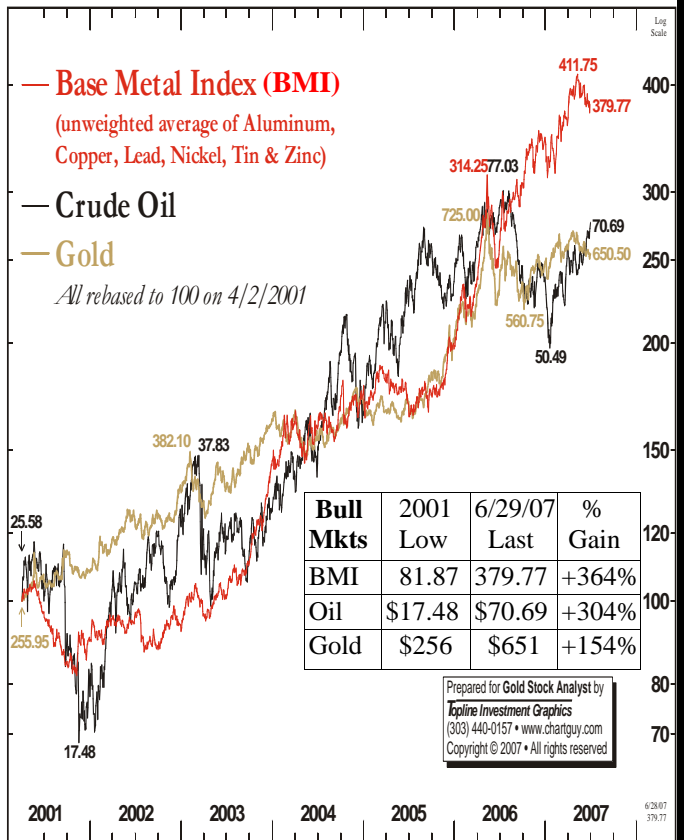
The Case for Gold - Revisited

GSA's "job" is to find bargain stocks in any Gold price environment. With over 60 miners covered, the Market is always going to be inefficient and over or under value some stocks. Nonetheless, this Gold bull market has run for over 6 years, from April 2001's low at \$256/oz, far longer than any other Gold bull market since its price was freed in 1968.

But Gold has not done as well as the other commodities in bull markets: Oil and Base Metals (see chart). Both started later in 2001 and yet have gained more. So, it's time to revisit and reassess our thoughts on Gold.

Prices in all markets are fundamentally driven by Supply and Demand; Gold is no different (see table Page 3).

Mine Supply is fixed for all commodities in the relatively short term due to long lead times, especially for the key ... *continued Page 3*



First Half 2007 Results

Versus the spectacular +83% gain for the GSA Top 10 in 2006, it's been a tougher market in 2007. But at +8.5%, the Top 10 continues to outperform all the benchmarks.

	GSA Top 10	+8.5%
DJIA		+7.6%
S&P 500		+6.0%
Gold		+2.4%
XAU		-4.7%

• **GATA**, Gold Anti-Trust Action Committee, will sue under **Freedom of Information Act** seeking "to compel the U.S. government to disclose records showing **how much gold is in the government's custody**; who owns it; whether it has been leased or otherwise made available to foreign governments or gold market participants; and whether the policies and practices behind the use of U.S. gold reserves have been meant to influence the price of gold." This will be interesting!

• **Silver Stock Analyst?** We're adding 6 silver miners to coverage in August issue

• **GSA on summer vacation**, July 2 until Monday July 16.

Top 10 Changes: 1 Addition, 1 Deletion; Who/Why on Page 2