

MINING INSIGHTS

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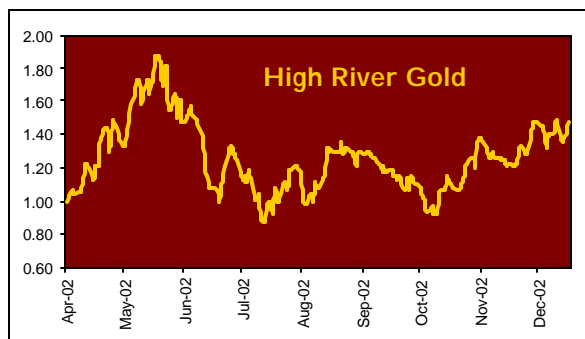
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DECEMBER 2002 – GOLD STOCK VALUE/MOMENTUM ANALYSIS



Thirty-four global gold producers and gold explorers were evaluated on **Value** and **Momentum** parameters by tracking the development of a "price premium to gold" over the past year. A template for underlying commodity value leverage was constructed from which momentum indicators were derived and used (in applicable cases) with the **MINING INSIGHTS GLOBAL GOLD COMPARATIVE TABLE** for current stock value against the global industry.

The best large producer showing sustainable commodity-derived value over the past year with good momentum indicators in the current gold price environment was found to be **Anglogold (ANG-J R299)**, followed by **Iamgold (pre-merger) (IMG-T C\$7.40)** and **Lihir Gold (LHG-AX \$1.50)**. The best mid-tier producers incorporating underlying value and sustainable momentum are **High River Gold Mines (HRG-T C\$2.15)** and **Wheaton River Minerals (WRM-T C\$1.59)**. The best value/momentum entry-level gold producer is **Queenstake Resources Ltd (QRL-T C\$0.31)**

The best Feasibility stock showing consistent value and momentum indicators is **Red Back Mining NL. (RBK-AX A\$0.34)** The best Advanced Explorer stock to show underlying commodity leverage perception and current momentum is **Wolfden Resources Ltd (YWO-V C\$1.33)**, all the more surprising in that commodity price leverage is not expected at all.

Special mention is made of stocks with a momentum > value history as being liable to lead the industry **IF** the gold price continues to ascend, but are undeniably expensive on a global comparative scale. **Eldorado Gold (ELD-T C\$2.03)**, **Bema Gold (BGO-T C\$2.05)**, **Kinross Gold (K-T C\$3.67)**, and **Glamis Gold (GLG-T C\$17.30)** lead the producer sector.

Western Copper Holdings (WTC-T C\$3.89) and **Minefinders Limited (MFL-T C\$6.70)** show no significant correlation with the commodity or momentum model; rather, a significant correlation of the gold premium to the silver premium suggests choice of metal is immaterial in stocks with a history of successful exploratory efforts.

The gold premia charts of stocks to avoid generally show breakdown in value/momentum parameters attributable to external factors or 'just miss the boat'. These include **Barrick Gold (ABX-T,Z C\$24.75; US\$15.41)**, **Sons of Gwalia Ltd (SGW-AX A\$2.69)**, and **Northgate Exploration (NGX-V C\$1.55)**.