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?

Based on 8/31's **$672/oz** Gold, and GSA's proprietary Market Cap/oz data base compiled since 1994 for Rising and Falling Gold price trends, **Gold stocks trade as if Gold was $608/oz**.

On average, Gold stocks are:

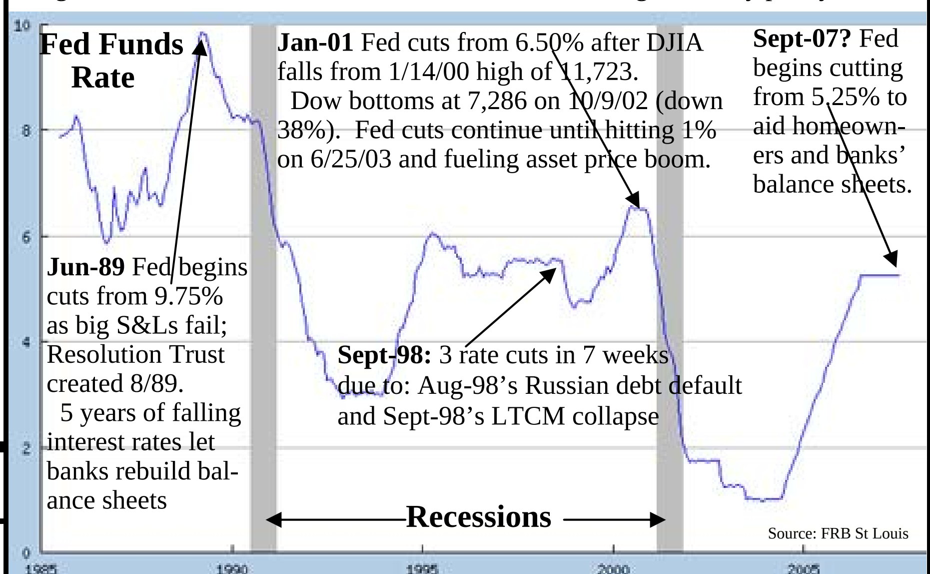
10% Undervalued

Fed Rides to the Rescue… Again!

It hasn't happened yet, but it will on Sept 18, the Fed's next meeting. Bernanke attempts to remain chaste and avoid transferring the "Greenspan put" label to himself, as he tries everyway possible to loosen Monetary Policy without cutting the Fed Funds rate. Lowering the Discount rate and opening wide the borrowing window by accepting lower grade paper as collateral, plus allowing banks to breech by 250% the cap that limits parent bank loans to brokerage affiliates to 10% of its regulatory capital (B of A and Citi were first in line), of course, helps. But, there's too much bad news still to come:

Mid-October banks/brokers report earnings for 3Q07 and thanks to Sarb-Ox will have to reveal the junk they were still holding on Sept 30 and had to mark down. Over $1 trillion of credit card, car and commercial loans comes due by mid-Oct says the Fed; while not mortgage related, the markets will have to be calm for their easy roll-over. Home sales are at a 5 year low, credit card defaults rise, and billions of Dollars of adjustable mortgages will reset from now through 2008.

Bush's "ownership society" push and Greenspan's own advice, 'take a variable interest mortgage and save money', led many down the primrose path. Government will be compelled to throw a lifeline; Democrats and the coming 2008 elections will assure that commoners get the same help as "fat cat" Republicans, bankers and hedge-funds, receive. Gold will benefit from the loosening Monetary policy.



• **October GSA will be late**, probably posted Oct 3. Editor's at the invitation-only Denver Mining Forum for presentations by 59 of the now 75 miners covered by GSA from 9/23-26, then joins 30 analysts for Mexican mine tour to **Goldcorp**'s Penasquito, **Pan Am**'s Alamo Dorado and **Metallica**'s San Pedro; home Sept 30.

•We've re-arranged the right column Page 5 and mid-page 6 to list Issues and Updates that mentioned a stock, so you can easly reference our earlier comments.

• See you at **Las Vegas Gold Show**, Sept 9&10. It's free. Info at: www.iiconf.com