GSA Silver

Monthly market analysis and reports on 25 Silver stocks including our Fave 5.
From the Gold Stock Analyst newsletter group. August 20, 2012

Articles and Data Inside:

Covered Inside from SSA's 25 stocks:

We will not comment on a Fave 5 stock or the Market without saying it to all subscribers at the same time in an Issue or a Special Alert; it might be illegal and certainly unfair. SSA issues are posted on 20th after Market closes.

Silver Demand Detail

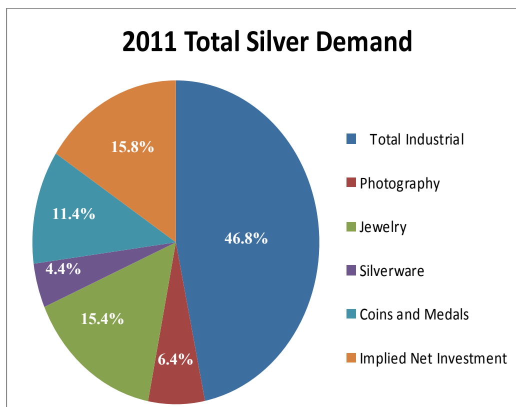
2011 Total Silver Demand	
Electrical	242.9 mil oz
Brazing Alloys	60.8 mil oz
Other	182.8 mil oz
Total Industrial	**486.5 mil oz**
Photography	66.1 mil oz
Jewelry	159.8 mil oz
Silverware	46.0 mil oz
Coins and Medals	118.2 mil oz
Total All Fabrication	**876.6 mil oz**
Implied Net Investment	164.0 mil oz
Total Demand	1,040.6 mil oz

Data from GFMS

Silver's dual use as an industrial metal as well as a store of value provides support during times of economic uncertainty and growth. In 2011, 761 mil oz was produced by miners while Total Fabrication Demand was 877 mil oz (Total Demand less Implied Net Investment). 116 mil oz gap between Prod and Fabrication Demand results in favorable demand gap.

In this article we will focus on the fastest growing piece of the demand equation Total Industrial Demand. Silver use in photography and silverware has been in decline for a decade. Jewelry, Coins and Medals, and Implied Net Investment are heavily dependent on Silver price, economic outlook and negative real rates therefore highly variable and hard to forecast.

487 mil oz Silver was consumed by Industrial processes last year (See table left). Highest conductivity of any element's makes Silver perfect for wiring and contact points. Consumer goods: refrigerators, washing machines, plasma TV's make up most Industrial Demand and forecast to climb 6%/yr from 487 mil oz in 2010 to 667 mil oz in 2015. The major drivers of this demand are electrical contacts and photo voltaics (PV). As manual processes become automated more contacts are necessary as seen in the automobile industry. Silver use rose to 36 mil oz in 2011 as auto windows/seats, and navigation became standard. US government will drive demand increasing legislation regarding black boxes and speed limiters.



Rising oil and gas prices due geo-political tension and increasing worldwide oil demand coupled w/peak supply will cause more demand for alternative and clean energy sources such as Solar. Silver used as conductive paste in PV cells to generate Solar power. PV demand grew from 3 mil oz in 2004 to 47 mil oz in 2011 and fcst 100 mil oz in 2015.

Smartphones, laptops, tablets, flat screen use exploded over past decade causing Silver use for contacts/circuits/wiring to rise. While Silver demand per unit is small, only 250mg in cell phone and 1g per computer (See table page 10), enormous volume of product will grow consumption from 45 mil Silver oz in 2011 as world becomes more digitally dependent. *(Continued Page 10)*

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No order of preference		SSA Fave 5 Stocks			August 20, 2012
Company Name	US Trading Symbol	Long Term Price Target (2 to 3 years)	Stock Price 12/30/11 Close Or when added	Stock Price 8/20/12 Close	Ytd 2012 Change 12/30/11 Close to 8/20/12 Close

Subscribers Only

*SSA uses the volume weighted average price (VWAP) for day after buy or sell recommendation	Year to Date SSA Fave 5:			0.2%
	S&P 500 Index	1257.60	1418.13	12.8%
Target Price Raised ⬆	SSA Index	390.62	365.76	-6.4%
Target Price Lowered ⬇	Silver	$27.84	$28.83	3.6%

New To SSA? Read the Notes Below First

GETTING STARTED: Invest equal Dollar amounts in each of the Fave 5. Buy a 50% position (half of the total you plan to invest) in all five to start. Then add to each as buying opportunities present themselves… they often will as Silver stocks can be volatile.

FAVE 5 CRITERIA: Undervalued based on current/expected output/reserves and special situations; SSA sees the potential to double from initial price within the next 2-3 years based on existing projects, without an increase in Silver price.

TARGET PRICES: Based on $1,600 Gold & $30 Silver. Metal price and stock price targets are often raised. Stock price targets are seen as achievable in the next two to three years based on existing projects in production or development.

INVESTING SUGGESTIONS: SSA seeks and identifies undervalued stocks. But this often means we must wait for Mr. Market to find the value we've discovered. Subscribers always want to know "What are the best 1 or 2 to buy now?" That's a question we can't answer as we never know when the Market will recognize value, and why there's a Fave 5, not a Top 1 or 2. Buying all the Fave 5 increases the chances that one in your portfolio will soon "blast off".

RECOMMENDED TRADING RULES: ***Past performance is no guaranty of future results.***

(All Fave 5 are always buys. We will tell you very clearly when to Sell.)

1. **Never, never, never buy just one Silver stock.** With $7 to $10 internet transactions, we assume subscribers own all the Fave 5. (Use any on-line broker such as Fidelity, Scotttrade, E-Trade, TDAmeritrade)
2. Scale-in; buy initial amount that allows doubling-up if price drops. Be patient. It can take time for Mr Market to recognize value, but GSA's track record proves he ultimately does.
3. Use a mental stop-loss 20% below recent high to consider if the loss is just trading "noise", a fundamental change or it's a buying opportunity. (The stocks can be volatile for no apparent reason. BUT we will tell you if you should sell).
4. If a stock has had a good move, take initial investment "off the table" and let profits run.
5. Once a year, rebalance your portfolio to more equal dollar weighting; prune the big winners, add more to the laggards.

Silver Stock Analyst Data

	Company	Notes	Symbol	Exchange	8/20/12 Price	Dividend	Shares Out	Market Cap	P+P Reserves @ Reserves $/oz	Mkt Cap/ P+P oz	Non P+P Mnrliz oz
J	Alexco Resource		AXU	AMEX	**$3.50**	—	59.5 mil	**$208 mil**	4 mil @ $23	**$48.43/oz**	54
U	Aurcana Silver		AUNFF	PINK	**$0.89**	—	446.8 mil	**$396 mil**	19 mil @ $16	**$20.62/oz**	47
L	*Bear Creek Mining*		*BCEKF*	*PINK*	***$2.45***	—	*92.2 mil*	***$226 mil***	*270 mil @ $18*	***$0.84/oz***	*658*
1	Coeur D' Alene		CDE	NYSE	**$21.41**	—	89.9 mil	**$1,925 mil**	283 mil @ $20	**$6.80/oz**	346
2	Endeavour Silver	w/El Cubo	EXK	NYSE	**$8.43**	—	98.8 mil	**$833 mil**	23 mil @ $16	**$36.21/oz**	101
A	Excellon Resource		EXLLF	PINK	**$0.38**	—	275.2 mil	**$103 mil**	— @ —	—	19
U	First Majestic		AG	NYSE	**$18.04**	—	115.5 mil	**$2,084 mil**	118 mil @ $20	**$17.66/oz**	525
G	Fortuna Silver		FSM	NYSE	**$4.39**	—	125.3 mil	**$550 mil**	44 mil @ $23	**$12.56/oz**	46
1	Gold Resource		GORO	AMEX	**$17.99**	$0.60	52.8 mil	**$950 mil**	48 mil @ $25	**$19.79/oz**	2
2	*Golden Minerals*		*AUMN*	*AMEX*	***$4.75***	—	*35.7 mil*	***$170 mil***	— @ —	—	*122*
S	Great Panther		GPL	AMEX	**$1.81**	—	137.5 mil	**$249 mil**	4 mil @ $18	**$56.94/oz**	28
E	Hecla Mining		HL	NYSE	**$4.98**	$0.05	279.6 mil	**$1,392 mil**	142 mil @ $19	**$9.81/oz**	247
P	Impact Silver		ISVLF	PINK	**$1.17**	—	68.0 mil	**$79 mil**	— @ —	—	101
1	McEwen Mining		MUX	NYSE	**$3.70**	—	267.1 mil	**$988 mil**	11 mil @ $19	**$89.84/oz**	162
2	*Minco Silver*		*MISVF*	*PINK*	***$1.57***	—	*58.5 mil*	***$92 mil***	*55 mil @ $13*	***$1.66/oz***	*102*
O	*Orko Silver*		*OKOFF*	*PINK*	***$1.41***	—	*131.7 mil*	***$186 mil***	— @ —	—	*175*
C	Pan American		PAAS	NSDQ	**$16.81**	$0.20	153.9 mil	**$2,587 mil**	231 mil @ $18	**$11.20/oz**	960
T	Revett Minerals		RVM	AMEX	**$3.09**	—	34.1 mil	**$105 mil**	23 mil @ $15	**$4.50/oz**	198
1	Scorpio Mining		SMNPF	PINK	**$0.61**	—	197.9 mil	**$121 mil**	30 mil @ $20	**$4.04/oz**	39
2	Silver Standard		SSRI	NSDQ	**$13.29**	—	80.8 mil	**$1,073 mil**	192 mil @ $18	**$5.59/oz**	1,334
N	Silver Wheaton		SLW	NYSE	**$32.39**	$0.36	353.6 mil	**$11,451 mil**	942 mil @ $18	**$12.16/oz**	860
O	Silvercorp		SVM	NYSE	**$5.52**	C$0.08	170.6 mil	**$942 mil**	77 mil @ $19	**$12.18/oz**	298
V	SilverCrest		STVZF	PINK	**$2.51**	—	89.7 mil	**$225 mil**	22 mil @ $19	**$10.38/oz**	135
1	*Tahoe Resource*		*TAHO*	*NYSE*	***$16.43***	—	*143.5 mil*	***$2,357 mil***	— @ —	—	*317*
2	US Silver		USA	TSE	**$2.02**	—	62.1 mil	**$126 mil**	22 mil @ $22	**$5.73/oz**	25
	Tots & Wgtd Avg's							$29.4 bil	2,561 mil @ $19	$10.36/oz	

Company Report Stock Price Charts

Stock price/volume charts are readily found on the internet. Since Silver price has a big role in a Silver miner's stock price, we think it's useful to know a stock's past relationship to Silver, and where it is now. SSA's exclusive charts in company reports show this relationship.

The tool we use is **regression analysis**, a statistical technique to describe a relationship between sets of data where the value of one, the dependent variable, is determined by another, the independent variable. Below, the dependent variable is Silver Standard's (SSRI) stock price on the vertical axis and independent variable is Silver on the horizontal. Each dot represents a trading day's closing prices since 2005. By a technique called least squares, a line is "best fit" to all points. The black line fits all data points since Silver price breakout beginning Jan-05.

The **R^2** is the **correlation coefficient** for each period, the percentage of SSRI's price moves that can be attributed to Silver price changes. An R^2 near 1.0 is highly correlated, a collectable Silver coin's price and Silver price, for example. Recently, the correlation for SSA's Silver miners ranged from -0.42 for problem-plagued Coeur D'Alene to 0.96 for Silver Wheaton, with most of the miners above 0.70.

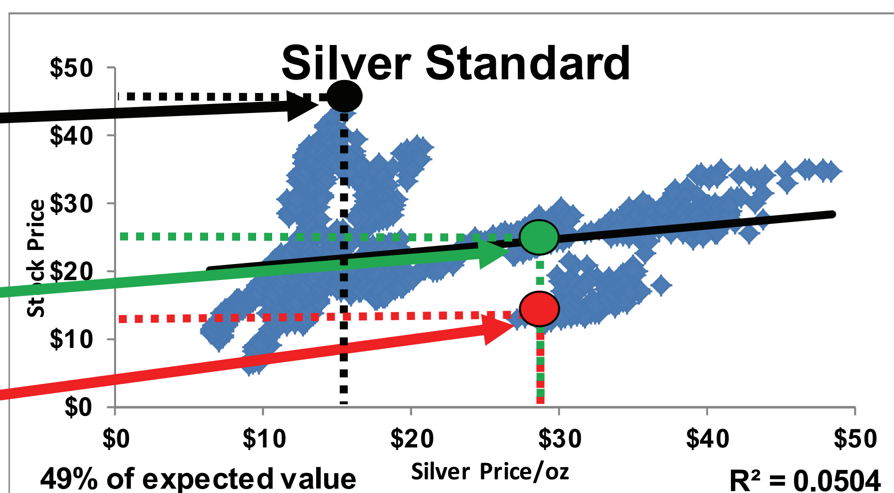
Silver Standard on 5/11/12 traded at 49% of its expected price at $28.91 Silver. Why? Silver Standard has grown from an explorer with large resource to producer with growing pains due mill problems at Pirquitas mine. The Market values Silver Standard at a 49% discount as it wants proof the problems are now in the past.

Follow the numbers: 1 to 3

1) Every "dot" represents a combination of Silver Price and Silver Standard's closing price since the bull market began in 2005. This dot shows Silver at $15.95/oz and Silver Standard's price at $45.70 on 11/6/2007.

2) If Silver Standard traded based on its relationship to Silver price since Jan-05, with Silver at $28.91/oz its price would be $24.44.

3) Actual Silver Standard price and Silver price on 5/11/12. Based on data since Jan-05 SSRI at $11.91/shr trades at 49% of predicted $24.44/shr price with Silver at $28.91/oz.



Silver Stock Analyst Data

Company	2011 Prod @	2011 Cash Cost	2011 OCF @ $35.59	End 2011 MktCap / OCF	2012 Prod Notes	2012 Fcst Prod @	2012 Cash Cost	**2012 Mkt Cap/ Fcst Prod**	2012 Fcst OCF @ $30.35 YTD	**2012 Mkt Cap/ OCF**	
Alexco Resource	2.0 mil @	$10.17	$51 mil	8.0X		2.4 mil @	$10.00	**$87/oz**	$49 mil	**4.3X**	**J**
Aurcana Silver	1.7 mil @	$10.10	$43 mil	7.2X	AuEqv	3.4 mil @	$9.31	**$116/oz**	$72 mil	**5.5X**	**U**
Bear Creek Mining	— @	—	—			— @	—	**—**	—	**—**	**L**
Coeur D' Alene	23.5 mil @	$6.53	$683 mil	3.2X	AgEqv	23.5 mil @	$7.00	**$82/oz**	$547 mil	**3.5X**	**1**
Endeavour Silver	3.7 mil @	$5.08	$114 mil	7.5X		4.3 mil @	$6.00	**$194/oz**	$105 mil	**8.0X**	**2**
Excellon Resource	1.3 mil @	$5.29	$39 mil	4.0X		1.5 mil @	$6.00	**$70/oz**	$37 mil	**2.9X**	**A**
First Majestic	7.4 mil @	$9.49	$193 mil	9.1X	AgEqv	8.6 mil @	$10.00	**$242/oz**	$175 mil	**11.9X**	**U**
Fortuna Silver	2.5 mil @	$0.37	$88 mil	7.8X		3.7 mil @	$4.00	**$148/oz**	$97 mil	**5.6X**	**G**
Gold Resource	3.3 mil @	$3.91	$105 mil	10.8X	53X Ag/Au	6.3 mil @	$3.49	**$151/oz**	$169 mil	**5.6X**	**1**
Golden Minerals	*0.5 mil* @	—	—			*0.7 mil* @	—	**—**	—	**—**	**2**
Great Panther	2.2 mil @	$10.84	$54 mil	4.9X		2.6 mil @	$11.00	**$96/oz**	$50 mil	**4.9X**	**S**
Hecla Mining	9.5 mil @	$1.00	$329 mil	4.5X		7.0 mil @	$1.00	**$199/oz**	$205 mil	**6.8X**	**E**
Impact Silver	0.8 mil @	$7.00	$24 mil	3.7X		1.0 mil @	$7.00	**$79/oz**	$23 mil	**3.4X**	**P**
McEwen Mining	2.9 mil @	$0.00	Garr	8.7X		3.0 mil @	$0.00	**$329/oz**	$91 mil	**10.9X**	**1**
Minco Silver	— @	—	—			— @	—	**—**	—	**—**	**2**
Orko Silver	— @	—	—			— @	—	**—**	—	**—**	**O**
Pan American	22.5 mil @	$8.75	$604 mil	5.6X		23.0 mil @	$9.00	**$112/oz**	$491 mil	**5.3X**	**C**
Revett Minerals	2.5 mil @	$17.00	$46 mil	3.5X		2.7 mil @	$17.00	**$39/oz**	$36 mil	**2.9X**	**T**
Scorpio Mining	2.8 mil @	$9.65	$73 mil	5.2X		2.4 mil @	$10.00	**$50/oz**	$49 mil	**2.5X**	**1**
Silver Standard	7.1 mil @	$20.93	$104 mil	10.7X		8.3 mil @	$19.00	**$129/oz**	$94 mil	**11.4X**	**2**
Silver Wheaton	25.0 mil @	$4.02	$789 mil	13.0X		27.0 mil @	$4.02	**$424/oz**	$711 mil	**16.1X**	**N**
Silvercorp	5.3 mil @	-$5.58	$218 mil	5.0X		5.9 mil @	$0.00	**$160/oz**	$179 mil	**5.3X**	**O**
SilverCrest	1.7 mil @	$7.79	$47 mil	3.5X		2.0 mil @	$10.00	**$113/oz**	$41 mil	**5.5X**	**V**
Tahoe Resource	— @	—	—			— @	—	**—**	—	**—**	**1**
US Silver	2.4 mil @	$17.75	$43 mil	2.9X		2.5 mil @	$15.00	**$50/oz**	$38 mil	**3.3X**	**2**
Tots & Wgtd Avg's	**131 mil @**	**$7.50**	**$3.6 bil**	**7.2X**		**142 mil @**	**$7.94**	**$187/oz**	**$3.3 bil**	**8.1X**	

Silver Stock Analyst, designed for Professional and Individual Investors, focuses solely on the 25 largest Silver Mining Companies (by market capitalization) traded in North America.

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Any time there is a change in the Fave 5 or important news, subscribers are sent a Special Alert.

The 20 page GSA User Guide is helpful in understanding our analysis methods, techniques, and abbreviations; it's posted on our main website: **http://www.GoldStockAnalyst.com**.

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COMPANIES DO NOT PAY FOR COVERAGE.

Selection for coverage is entirely determined by SSA's staff and based in part on: 1) Stock trades in North America; 2) Current Silver production and/or a published independent feasibility study showing a deposit to be economic; 3) Current or potential 1 mil oz/yr production.

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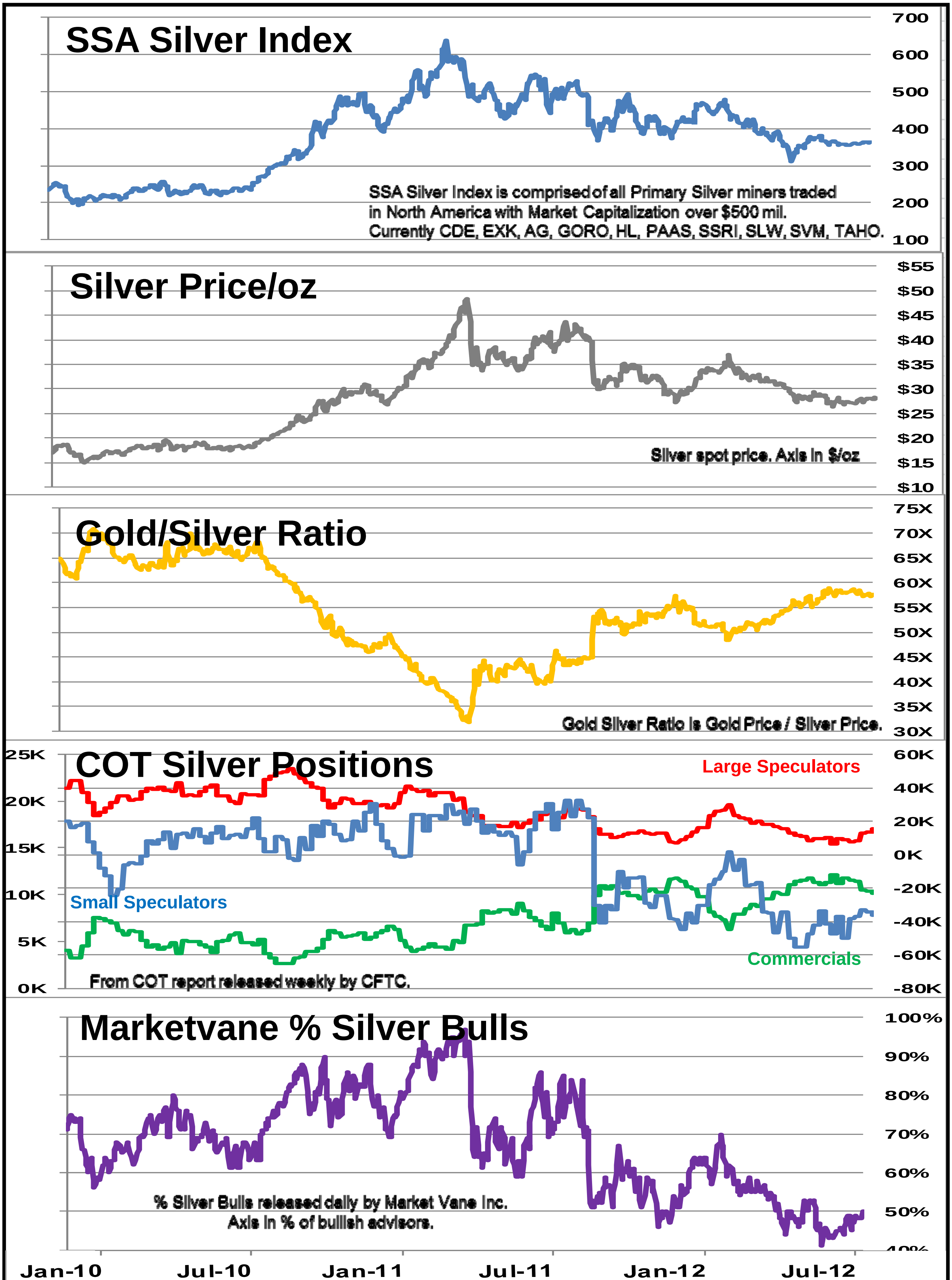
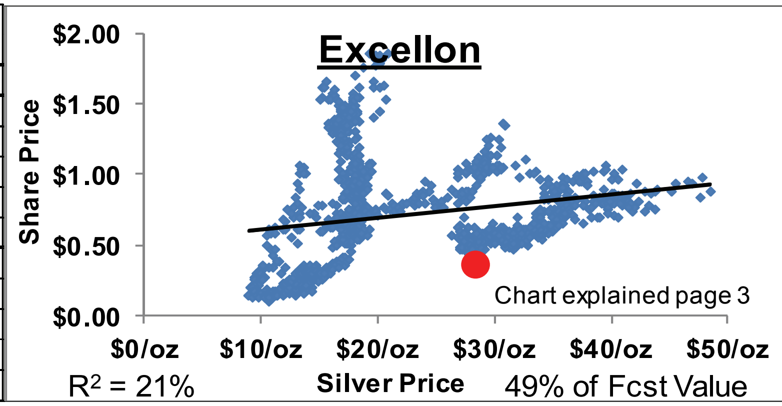

SSA Silver Index
700
600
500
400
300
200
100
SSA Silver Index is comprised of all Primary Silver miners traded
in North America with Market Capitalization over $500 mil.
Currently CDE, EXK, AG, GORO, HL, PAAS, SSRI, SLW, SVM, TAHO.
Silver Price/oz
$55
$50
$45
$40
$35
$30
$25
$20
$15
$10
Silver spot price. Axis in $/oz
Gold/Silver Ratio
75X
70X
65X
60X
55X
50X
45X
40X
35X
30X
Gold Silver Ratio is Gold Price / Silver Price.
COT Silver Positions
Large Speculators
Small Speculators
Commercials
25K
20K
15K
10K
5K
0K
60K
40K
20K
0K
-20K
-40K
-60K
-80K
From COT report released weekly by CFTC.
Marketvane % Silver Bulls
100%
90%
80%
70%
60%
50%
40%
% Silver Bulls released daily by Market Vane Inc.
Axis in % of bullish advisors.
Jan-10
Jul-10
Jan-11
Jul-11
Jan-12
Jul-12

Excellon Resources PINK: EXLLF DIV: Nil RECENT: $0.38

ASSETS	6/30/2012	Output Period	Silver Prod oz	Net Ag Cost/oz
Cash & Eqv	$9.9			
Other	13.0	**Tot 10**	**1.3 mil**	**$7.18***
Net PP&E	45.6	1Q11	0.2 mil	$8.46*
TOT ASSETS	68.4	2Q11	0.4 mil	$3.74*
LIABILITIES		3Q11	0.3 mil	$6.95*
Current	3.5	4Q11	0.4 mil	$4.14*
LT	1.9	**Tot 11**	**1.3 mil**	**$5.29***
Other	—	1Q12	0.4 mil	$5.67*
TOTAL LIAB	5.3	2Q12	0.4 mil	$4.25*
EQTY: Com	63.2	3Q12		
Shares Com	275.2 mil	4Q12		
Shrs Fully Dil	289.1 mil (1)	**Tot 12**		



FIN NOTES: *Co. treats lead and zinc prod as by-prod to lower cash cost/oz. (1) Incl 13.9 mil options at C$0.65 exercise.

Site	Own	Loc	FAC	Ag P+P	Other Ag	10 Prod	11 Prod	12 Fcst	Notes: End-11 P+P at $25/oz.
La Platosa	100%	MEX	UG-M	—	19.4 mil	1.3 mil	1.3 mil	1.3 mil	•350 t/d mill. Production halted Aug-12.
Timmons	100%	CAN	—	—	—	—	—	—	•Includes Abitibi. Drilling $3.6 mil 2012.
Total				**0.0 mil**	**19.4 mil**	**1.3 mil**	**1.3 mil**	**1.0 mil**	•2011: 92% recovery at 800 g/t grade.

UPDATES: PLATOSA: Bot back 1% NSR from Golden Minerals for $2.4 mil May-12. 810K Ag oz prod 1H12. Prod halted.
EXPLORATION: TIMMONS: Drilling 10K meters 2012. Includes Desantis project.
ANALYSIS: Union workers struck at Platosa Jul-12. Co declared force majeure Aug-12 due worker blockade, w/all mining and milling halted until strike resolved. Union wants water treatment plant as required by original contract between Co and Edijo (local farming group). Co says strike is actually about two unions competing to represent workers. In prod, Co would generate $32 mil OCF/yr at $30/oz Silver and $5/oz cash cost, so is cheap at current $100 mil Mkt Cap. But, strike resolution takes a water plant or belief in new mngt after recent CEO and CFO departures. SSA can't predict strike ends. Avoid. *G.G.*

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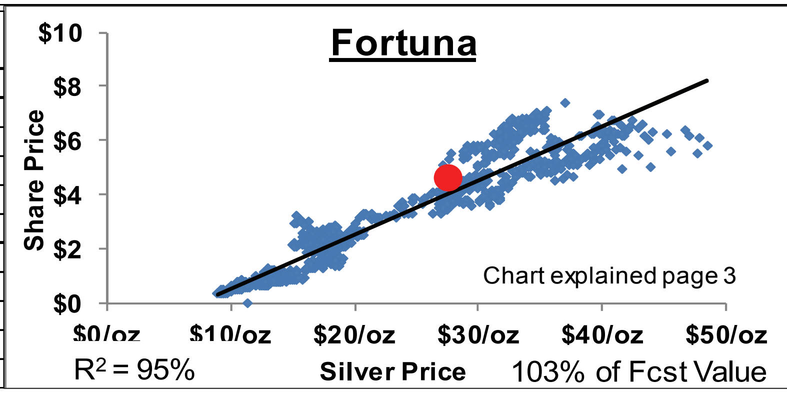
Chair/Pres: Peter Crossgrove EVP: Brendan Cahill
CFO: Rudy Dhadwar IR: Joanne Jobin 416-364-1130

Fortuna Silver NYSE: FSM DIV: Nil RECENT: $4.39

ASSETS	6/30/2012	Output Period	Silver Prod oz	Net Ag Cost/oz
Cash & Eqv	$60.7			
Other	41.6	**Tot 10**	**1.9 mil**	**-$5.99***
Net PP&E	186.4	1Q11	0.4 mil	-$5.67*
TOT ASSETS	288.7	2Q11	0.5 mil	-$4.37*
LIABILITIES		3Q11	0.7 mil	$1.45*
Current	15.3	4Q11	0.9 mil	$5.11*
LT	28.4	**Tot 11**	**2.5 mil**	**$0.37***
Other	—	1Q12	1.0 mil	$3.18*
TOTAL LIAB	43.7	2Q12	1.0 mil	$3.75*
EQTY: Com	245.0	3Q12		
Shares Com	125.3 mil	4Q12		
Shrs Fully Dil	131.0 mil (1)	**Tot 12**		



FIN NOTES: *Co. treats Gold, lead and zinc prod as by-prod to lower cash cost/oz. (1) Incl 5.7 mil options at C$3.39 avg exercise.

Site	Own	Loc	FAC	Ag P+P	Other Ag	Au P+P	Other Au	11 Prod	12 Fcst	13 Fcst	Notes: End-11 P+P at $23/oz.
Caylloma	100%	PER	UG-M	20.2 mil	20.7 mil	49.5 K	59.7K	2.0 mil	2.0 mil	2.3 mil	•1.3K t/d mill. Prod from Oct-06
San Jose	100%	MEX	UG-M	23.6 mil	24.9 mil	183.7 K	203.7K	0.5 mil	1.7 mil	1.7 mil	•1.0K t/d mill. Prod from Sep-11.
Total				**43.8 mil**	**45.6 mil**	**233.2 K**	**263.4K**	**2.5 mil**	**3.7 mil**	**4.0 mil**	**•'11 by-prod: 27K Au oz, 19K Pb & 23K Zn lbs.**

UPDATES: CAYLLOMA: 225 km NW of Arequipa, Peru. FSM works to increase 2Q12's recovery of 76% to ~81%. Co. fcsts permit for new tails facility by 3Q12. $8.62 net cash cost/oz 2Q12, but sees cost pressures in tariffs, power and labor ahead.

SAN JOSE: 47 miles South of Oaxaca, Mex. Co works to increase mill to 1.5K t/d by end 2012 for $6 mil capex and fcst prod: 3.2 mil Ag oz at $7.84 cash/oz net of 25K Au oz by-prod. Building dore plant for $12 mil by Sep-13 to lower net cash cost ~$2.00/oz. Spends $6 mil on exploration on 143K acre property in 2012.

ANALYSIS: FSM has $60 mil cash, no hedges, and no debt; fcsts 4 mil oz Ag and 20K Au oz prod in 2013. Assuming $4/oz net cash cost and $30/oz Ag price, Co generates $104 mil OCF/yr in 2013. Now trades at discount 5.2X OCF (See page 4), stock fairly valued at ~$6/shr using 2013 prod and sector average 7.5X OCF. Co seeks M&A targets in S. Amer w/Ag > 50% of revenues at below average cash costs. Most miners desire pure play projects Fortuna focuses on overlooked Ag/Au mix.
Targets 14 mil AgEqv oz in 2016, 40%/yr growth, but undefined plan. Needs acquis to meet goal, but what cost? Pass. *G.G.*

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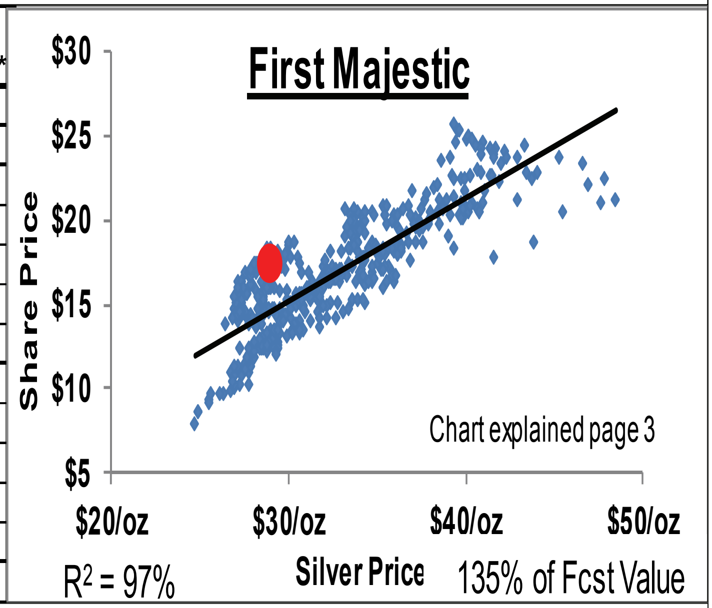
Chair: Simon Ridgway Pres/CEO: Jorge Ganoza
VP-Expl: Thomas Vehrs IR: Carlos Baca 51.1.616.6060

First Majestic NYSE: AG DIV: Nil RECENT: $18.04

ASSETS	6/30/12	Output Period	Net Ag Prod oz*	Cash Cost/oz*
Cash	$70.9	**Tot 09**	**4.3 mil**	**$8.49**
Accts Rec	16.4	**Tot 10**	**6.5 mil**	**$7.53**
Inventory	19.4	1Q11	1.8 mil	$8.26
Other Curr	22.1	2Q11	1.8 mil	$8.32
PP&E	360.8	3Q11	1.7 mil	$8.39
Other - LT	20.7	4Q11	2.0 mil	$8.01
TOTAL	510.4	**Tot 11**	**7.2 mil**	**$8.24**
LIABILITIES		1Q12	1.8 mil	$8.96
Current	34.3	2Q12	1.9 mil	$8.83
Debt	—	3Q12		
Other - LT	78.9	4Q12		
EQUITY: Com	397.2	**Tot 12**		
# Shrs Com	115.5 mil (1)	1Q13		
# Shrs F Dil	120.6 mil (2)			



Mexico based First Majestic Silver is a fast growing Silver miner. Co. forecasts growing production 30%/yr through 2014 by expansion at two mines and production start at Del Toro.

Fin Notes: (1) Incl 9.6 mil shares for Apr-12 Silvermex acquisition. (2) Incl 5.1 mil options at C$10.60.

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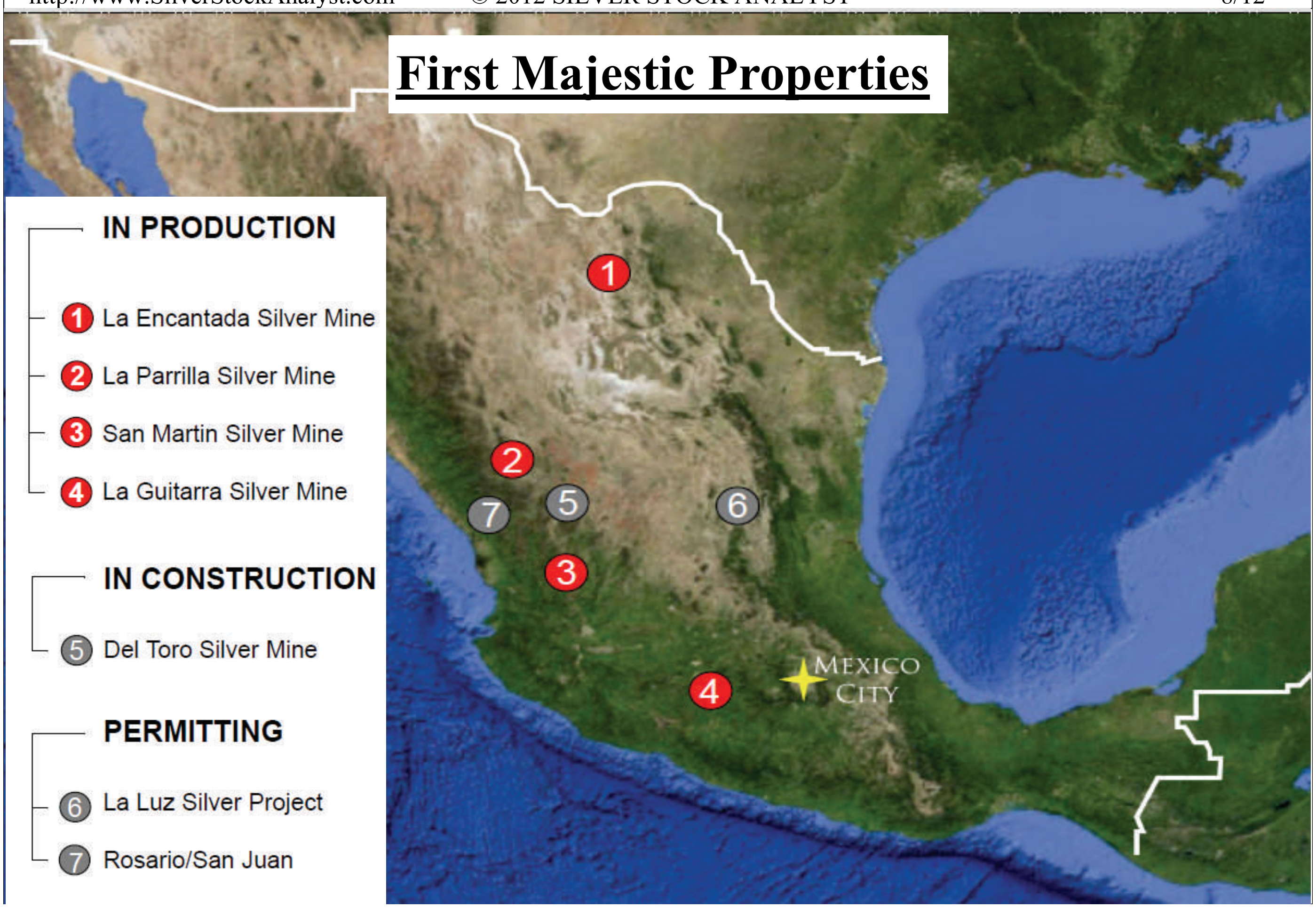
Chair: Robert McCallum CEO: Keith Neumeyer
COO: Raymond Davila CFO: Raymond Polman
IR: Todd Anthony 866-529-2807



Site	Loc	Own	Prod Facility	AgEqv P+P oz	Other AgEqv oz	2011 Prod oz	2012 Prod oz	2013 Fcst oz	Notes: End-11 P+P on $1,600/oz Au, $23 Ag. 65 to 1 ratio.
La Parrilla	MEX	100%	UG-Mill	52 mil	82 mil	1.7 mil	2.7 mil	3.0 mil	•2K t/d dual cyanide/float mill.
San Martin	MEX	100%	UG-Mill	7 mil	69 mil	1.1 mil	1.1 mil	1.0 mil	•950 tpd mill & 500 tpd float. Bot in '06 from First Silver Reserve.
La Encantada	MEX	100%	UG-Mill	39 mil	32 mil	4.4 mil	4.3 mil	4.0 mil	•4K t/d mill. Ended Lb prod '11 to focus on Ag dore.
Del Toro	MEX	100%	UG-Mill	—	154 mil	—	0.1 mil	3.0 mil	•4K t/d dual cyanide/float mill. Prod start 4Q12.
La Luz	MEX	100%	UG-Mill	—	47 mil	—	—	—	•~230 mil oz Ag mined since 1773.
La Guitarra	MEX	100%	UG-Mill	20 mil	141 mil	0.4 mil	0.3 mil	1.0 mil	•From C$175 mil Silvermex Apr-12 acquisition.
Total				**118 mil***	**525 mil***	**7.2 mil***	**8.6 mil***	**12.0 mil***	*P+P reported as AgEqv. Prod reported as Net Ag oz.

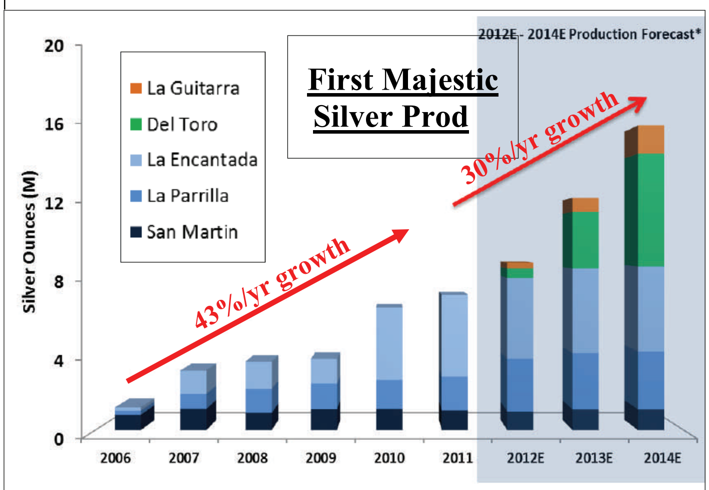
UPDATES: DEL TORO: 60Km from La Parilla. May-12's 43-101 doubled AgEqv mnrliz to 154 mil oz. Pre-feasib fcst $124 mil capex for average 6.7 mil Ag prod/yr at $7.32/oz cash cost from 4K t/d mill. 1K t/d mill fully permitted. Working to increase to 4K t/d. Mill ramp up fcst: 1K t/d in 4Q12, 2K t/d 4Q13 and 4K t/d by 3Q14.
LA GUITARRA: 130km SW from Mexico City. Bot Apr-12 w/Silvermex acquis for 9.6 mil shares worth C$175 mil. Total 438K Ag oz and 4K Au oz prod 2011 at $8.67/oz cash cost, net Au by-prod. First Maj works to reduce cash cost/t by 50%. Begins permitting for 1K t/d mill and fcst 2 mil Ag oz/yr prod. Construction seen 3Q13. Current 350 t/d mill increasing to 500 t/d 1Q13.

LA ENCANTADA: Mill began production Apr-10 w/4K t/d rate reached during 3Q11 for 4.0 mil Ag oz/yr. Low recovery due manganese in ore remains a challenge. Co evaluating various studies/tests and mining sequencing to avoid contaminant. Coarser tails feed easier to separate and improved recoveries from 43% 1Q12 to 49% 2Q12.

LA PARRILLA: New 1K t/d cyanide and 1K t/d float circuits for 2K t/d total capacity replaced old 850K t/d mill Mar-12. Fcst prod 2.7 mil oz Ag prod in '12. Sep-11's 43-101 report increased P+P by 600%. New enviro friendly tails filter recirculates 80% of water and eliminates wet tailings. System also used at La Encantada and Del Toro.

SAN MARTIN: 950 t/d cyanide and 500 t/d float circuits. New 43-101 fcst by end-12. Drought cut prod 24% from 1Q12, now back to normal due recent rains. Will install new tails filter to conserve water.

DEVELOP: LA LUZ: Historically famous mine formerly named Santa Ana. Average Ag grade mined estimated 43 oz/ton from 1773-1990. Co bot back 3% NSR, and 250 acres of surface rights for $3 mil Nov-10. EIS fcst 2H12. First Maj plans no cyanide, no OP, only prod from UG to appease local enviro authority pressure.



ANALYSIS: First Majestic has record of strong production growth by accretive acquisitions and successful mine expansion/development. Paid $3 mil in 2006 for La Parilla's 180 t/d mill and 214K Ag oz/yr prod; now in 5th expansion to 2K t/d and 2.7 mil oz/yr Ag prod.

Paid total $5 mil for La Encantada in 2006 with small prod and by 2011 OCF/yr had grown to $86 mil. Now prod 4.3 mil Ag oz/yr from 4K t/d mill.

Silvermex Apr-12 acquis fits w/track record. At full prod of 2 mil Ag oz/yr from 1K t/d mill, will generate $42 mil/yr at $30/oz Ag and $9.00/oz net cash cost. The average SSA miner trades at 7.4X OCF and AG only paid 4.2X OCF ($175 mil cost/$42 mil OCF) for Guitarra. Co receives $9 mil OCF/yr from 400K Ag oz prod at net $9/oz Ag. Will focus on project in '14 to reduce cash costs/oz and convert large 141 mil oz mnrliz into reserves and prod.

First Majestic's Silver prod grew 43%/yr from 2006 to 2011 (See chart above), and fcst 30%/yr from 2011 to 2014. With Del Toro in full prod in 2014, its 6.7 mil Ag oz/yr will help First Majestic achieve target fcst of 16 mil Ag oz production.

Co. trades at 11.9X Fcst '12 OCF based on 8.6 mil oz Silver prod in '12 and $20.55/oz net Silver margin ($30.55/oz YTD Silver - $10/oz fcst net cash cost). Using Co's fcst 16.0 mil oz Silver prod in '14 and net $20.55/oz margin equals $329 mil OCF in '14. At current 11.1X OCF multiple AG would be fairly valued at $30/shr (See table right).

First Majestic has grown by acquiring projects cheaply and adding value through exploration and development. Despite fast growth, Co has $71 mil cash and no debt. Del Toro provides 3.0 mil Ag oz prod boost in 2013. No other Silver company comes close to First Majestic's track record of 43%/yr growth 2006-2011, management w/ strong history of achieving production forecasts on-time and on-budget, and fcst 30%/yr near term growth to 2014. **First Maj is Fave 5. Buy w/$30 target.** *G.G.*

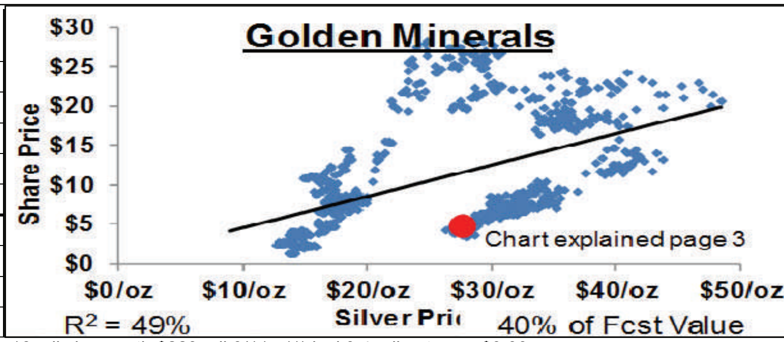
First Majestic Target

Current Values	
Fcst 2012 Ag Prod	8.6 mil oz
YTD Silver Price	$30.55/oz
Fcst 2012 Cost/oz	$10.00/oz
Net Ag Margin	$20.55/oz
Fcst 2012 OCF	$177 mil
Shares Out	115.5 mil
Share Price	$17.00
Market Cap	$1,963 mil
OCF Multiple	11.1X
2014 Forecast	
Fcst 2014 Ag Prod	16.0 mil oz
Current Net Ag Margin	$20.55/oz
Fcst 2014 OCF	$329 mil
Current OCF Mult	11.1X
Fcst Market Cap	$3,650 mil
Full Dil Shares Out	120.6 mil
Target Price	$30.26

Golden Minerals   Amex: AUMN   DIV: —   RECENT US$ 4.75

ASSETS	6/30/12
Cash + Eqv	$23.1
Other	13.2
Goodwill	70.2
Net P, P&E	12.8(1)
TOTAL	282.6
LIABS	
Current	13.8
LT Debt	—
Other	53.8
EQITY: Com	320.5
#Shrs Com	35.7 mil
#Shrs F Dil	36.1 mil (2)

Prod Period	(000) Ag*Eqv	Tot'l Cash Cost/oz
1Q11	No prod prior to 9/11 acquis of ECU	
2Q11		
3Q11		
4Q11	155K	NA
Tot 11	**155K**	**NA**
1Q12	170K	NA
2Q12	165K	NA
3Q12		
4Q12		



FIN NOTES: Acq'd ECU Silver for 16 mil shrs worth $223 mil 9/11. (1) incl 0.4 mil opts avg $9.00

SITE	Loc	Ownd	Facility	AgP+P	OthAg	Notes: *Ag Eqvs calc at Ag/Au ratio of 50-1
Velardena	Mex	100%	UG-Mill	—	60*mil	•+600K A oz; 550 t/day oxide mill for dore and 300 t/day sulfide mill for "con"
Other		100%	OP-HL	—		•100% Chicago and 50% owned San Diego props not in prod
El Quevar	Argnt	100%	UG-	—	62 mil	•Expl ramp sees signif mnrliz at ~10 oz/t grade on 2kn strike of 230 sq mi prop
Total				—	122m*	

MINES: VELARDENA: From multiple UG veins, two mills w/850 t/day capacity prod Au/Ag dore and Pb/Zn "con" for smelter processing. Expans to 2,000 t/day and fcst 4 mil oz Ag+80K oz Au/yr (for tot 8 mil oz Au Eqv) was planned from 2012's orig fcst of 1.2 mil AE oz. Opers plagued by multiple issues; Co now targets full 850 t/d prod from mills by 1Q13.
ANALYSIS: The former Apex Silver, which was bankrupted by hedging at San Cristobal, w/mine taken over by Sumitomo in 2009. With essentially same Apex mngt, Co is rationalizing ~80 expl props of Apex and became a producer w/mid-11 acquis of ECU and its Velardena mine for 16.0 mil shrs ($223 mil!). Now burning cash at $13 mil/qtr, Co cuts spending elsewhere trying to reach positive cash flow. From Co's 10-Q to US SEC, dated 8/3/12: "...we expect that in the absence of additional funding our current cash and investment balance would be depleted in the first quarter 2013." AVOID!

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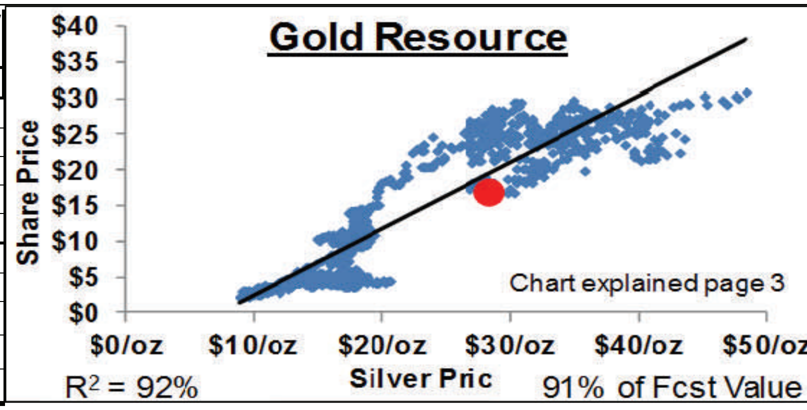
Jeffery Clevenger, Chair/Pres/CEO; Robert Vogels, VP-CFO; Jerry Danni - EVP and Invest Rels

Gold Resources   Amex: GORO   DIV: $0.72(2)   RECENT: US$ 17.99

ASSETS	6/30/12
Cash+Bullion	$ 50.3
Accts Rec	8.3
Inventory	5.3
Other	31.5
Net P,P&E	13.0
TOTALS	273.2
LIABS:	
Current	12.9
Curr LT Debt	—
Other	2.4
EQUITY:Com	93.8
#Shrs Com	52.8
#Shrs F Dil	58.2 (1)

Prod Qtr	AuEqv Oz*	NetCash/ AE oz**
Tot 10	**10.5K**	**$279***
1Q11	7.5K	$156*
2Q11	13.5K	$235*
3Q11	25.3K	$229*
4Q11	19.9K	$228*
Tot 11	**66.2K**	**$222***
1Q12	30.5K	$191
2Q12	14.5K	$509
3Q12		
4Q12		
Tot 12		



FIN NOTES: *Co reports Au Eqv oz, but is actually a Silver miner as Ag is 65% of prec metal revs. ** Incl 5% NSR on "con" + 4% on dore to former landowner; Co began incl royalty in cash/oz 1Q12. 1) incl 5.4 mil opts exer at ~$4. (2) Divs payable mnthly; can be taken as Au or Ag coins via 3rd party; details on website.

SITE	Loc	Facility	Ag***	Au***	Au Eqv/AgEqv	11Prod	12Fcst	Notes: ***Indicated+Inferred; GSA ests ~30% are P+P
El Aguila	Mex	OP-Mill	—	—	— / —	6K	—	•Open Pit depleted '11 after prod 17K Au Eqv oz
La Arista		UG-Mill	30 mil	305K	909K / 48 mil	60K	110K	•Ramps UG to mine Arista and Baja veins.
Others		UG-						•Alta Gracia, Margaritas + El Rey get ~$2 mil expl '12
Total					909K or 48 mil	66K/3.5m	110K/5.8m	•Au or Ag Eqv oz produced calc at 53-1 ratio

NOTE: GORO is a GSA-Top10 Gold stock as it chooses to call itself a Gold miner...and it may yet prove to be based on potl of its 55km of strike. But to date, precious metal production (plus lead and zinc) is ~65% Silver, hence its inclusion in SSA.
UPDATES: Co released final Canadian 43-101 report July-12 showing deposit at 1.5 mil tonnes w/Gold and Silver as Au Eqv of 909K oz, or as Ag Eqv of 48 mil oz. While disappointing, report agreed that milling to date yielded grades 11% higher than mined, meaning ore grade *in situ* was underestimated. The report also suggested preparing additional mining areas ASAP as there is a "risk of insufficient ore" being available to feed the mill. Responding, Co cut prod 50% in 2Q12 to focus on developing more ore areas for prod in 2H12 and 2013 and lowered current target to 110K Au Eqv oz (and stock fell from mid-$20s).

An "odd duck", Co seemingly revels in doing things differently than other miners: has little broker following, no Canada listing, etc. But, has good retail investor support due 1/3 of cash flow dividend policy and excellent expl potential at its property.

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Bill Reid, CEO; Jason Reid, Pres; Rick Irvine, COO; Brad Blacketor, CFO; Investor Rels: Greg Patterson

Fave 5 Comments

Tahoe 8/3/12: Co released 2Q12 results saying that construction at its Escobal site remains on track for start up 2H13 and commercial production early 1Q14. On 6/30/12, Co had $271 mil cash and an estimated $178 mil left to spend out of $327 mil capex at site.

At the end of June, press reports said Guatemala Govt planned to take a 40% interest in new mines. As chart to right shows, TAHO immediately tanked from ~$19 to $12/shr. This was a classic case of "shoot first and ask questions later" and GSA suggested subs make their initial buy of Tahoe or average down.

Govt later confirmed that the 40% interest would only affect new mines and then in early August, the same press that first reported on the 40%, then said it would be dropped entirely as destabilizing to foreign investment.

Silver Demand ... *continued from Page 1*

The relatively obscure Ethylene Oxide (EO) industry has consumed 150 mil oz Ag since 1980. EO is used to manufacture polyester clothing. Total 100 plants worldwide used ~250 K Ag oz per and now need 2.5 mil Ag oz for each plant construction.

Annual Silver Use in Common Items

Cell Phone	250mg handset	13 mil oz
PCs & Laptops	1g/unit	22 mil oz
Automobiles	30g/vehicle	36 mil oz
PDPs	10g/screen	6 mil oz
Thick Film PV	0.25g/cell	47 mil oz
Button Batteries	1g unit	5 mil oz
Total		129 mil oz

Data from GFMS

New technology Silver demand is small at 10 mil oz/yr, but growing. Uses include:

Batteries: Silver demand is ~5 mil oz. Silver zinc technology offers energy density 40% higher than the lithium ion (LI) standard used in Cell/PC/Auto. Silver zinc batteries don't overheat like LI, and are cleaner as Silver and Zinc can be recycled.

Nano Silver: Extremely small particles of Silver 1-100 nanometers in size. Used in medical devices and textiles to make filters and coatings. Small particles with high surface area enable efficacy at lower concentrations, so high Ag prices foster increased adoption of this technology.

Solid State Lighting: Uses semiconductors to produce light through light emitting diode (LED) or organic light emitting diodes (OLED) rather than traditional plasma or gas. Incandescent bulbs are being banned around the world instead choosing SSL technology for cost efficiency and enviro friendly. Silver is an ideal metal for SSL due high conductivity and reflectivity.

Medical usage: Silver is used in wound treatments for its microbial action. Clinical evidence has proved Silver's effectiveness as antiseptic in gels, sprays and powders for infected wounds. Total medical demand only 0.5 mil oz last year.

RFID tags: Printed Silver ink is used to make tags used to track inventories, But Silver's high price may limit usage to high value items. Other uses include Supercapacitors, Water purification, Food packaging, Hygiene, Wood Preservatives and Superconductors.

New usage receives much hype regarding potential growth. Solar and battery use has best fcst growth, but is forecast at only ~150 mil oz in '15. Big growth will come from industrialization of China/India and their build out into consumer driven economies.

Factor in strong investment demand from individuals and institutions looking to preserve wealth from as US and Euro monetary policies are determined to produce asset price inflation to rebuild balance sheets. This will first impact Gold, but Silver (Gold on steroids) could move explosively higher. Even if Silver price remains flat the Fave 5 should still fare well as their production and OCFs grow and their shares price should follow. *G.G.*