

As Expected...

The gold rally we've been predicting is well on its way. While the market will remain volatile, it is likely that a new attack on \$430 is at hand.

By Brien Lundin

You can't say I've been beating around the bush in my gold calls. In last month's issue, with gold hitting an interim low at \$387, my headline screamed "All Aboard...There's good news for impatient gold investors: *The train is about to leave the station.* This appears to be your last chance to get on board."

And on August 3, our Alert Service subscribers were greeted with an urgent dispatch entitled simply "Buy Gold."

As the accompanying charts show, those who followed this advice have begun to reap some rewards. At this writing, gold is up about 5% since those lows, while the Gold Bugs Index has gained over 15%.

If you missed out on this recovery, don't worry: Much larger gains appear to lie ahead.

When you consider the soaring trade deficit, the growing evidence of a slowing economy, record energy prices, the onset of a traditionally strong season for gold and rising Asian demand for the metal, it

seems obvious that the stars are aligning in favor of gold once again.

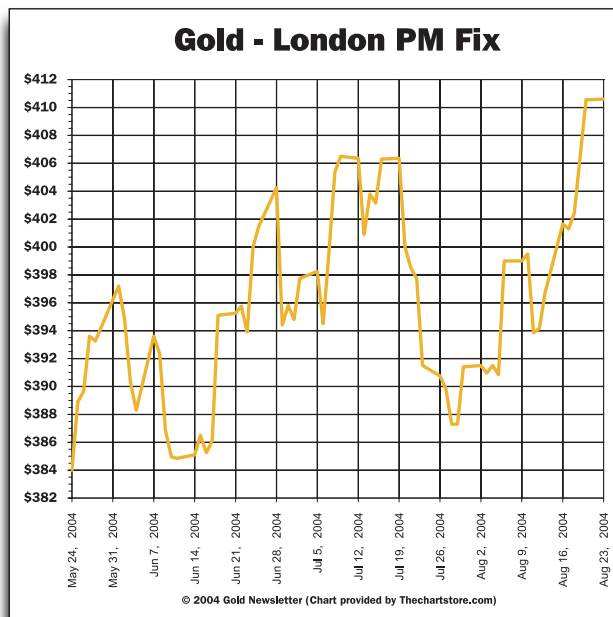
The latest economic reports are enthusiastically supporting this contention.

For example, the latest data shows that the U.S. trade deficit rocketed by 19.1% in June — to a record \$55.8 billion. This was shocking news, since Wall Street economists had been expecting a deficit of "only" \$46.9 billion.

Optimists were tempted to explain away this explosion in the deficit by assigning blame to spiraling oil prices. But those hopes were quickly quashed by even the most cursory examination of the data — data which revealed a massive, across the board expansion of the current account deficit.

For one thing, both the petroleum *and* nonpetroleum deficits soared to record levels in June. Moreover, the U.S. scored record deficits with all of its largest trad-

Gold - London PM Fix



ing partners, including Mexico, Canada and China...as well as with OPEC and Latin America.

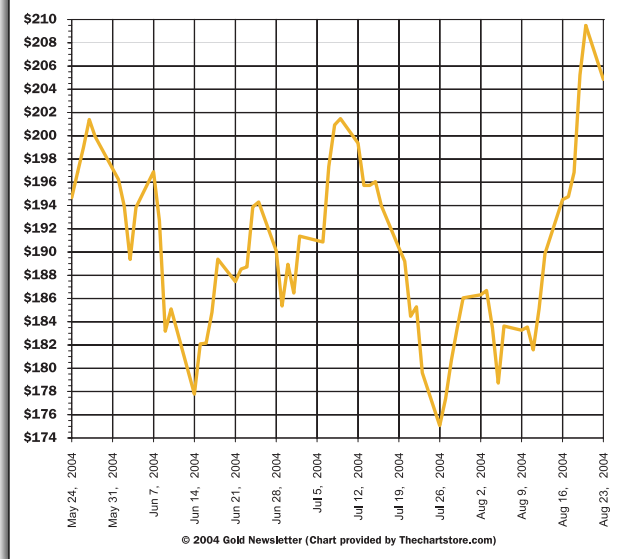
There is little wonder why, according to recently released Open Market Committee minutes, the widening trade deficit was a major topic of concern at the Federal Reserve. Or why Lehman Brothers economist Joseph Abate proclaimed the June trade numbers "shockingly dismal," warning that "Unless there is a significant improvement in the coming

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INSIDE:

15 Potpourri

Gold Bugs Index



months, the deficit's trajectory poses serious questions about the growth outlook in the second half."

Some brief solace was taken in the shade of the July Producer Price Index and Consumer Price Index numbers. The PPI showed a lower-than-expected 0.1% increase in July, compared with the consensus forecast of 0.2%, while the CPI actually came in with a 0.1% drop in July. The core CPI, stripped of food and energy, rose only 0.1%.

While that would seem to be good news on the inflation front, it takes more than a single data point to draw a trend line.

And in fact, a closer look at the numbers reveals a much darker side, as inflationary pressures are building to blow-off levels further back in the production pipeline. The PPI report shows that intermediate goods prices soared 0.8% in July, bringing the year-over-year increase to 7.6%. More ominous was the intermediate energy goods number, which leaped 2.3% in July alone.

While crude materials fell 0.2% in July, their prices are still up a highly worrisome 22.2% on average over the last year.

And that was the lone bright

spot. Prices for basic industrial materials soared 8.6% in July — a record — due largely to a jump of 32.2% in iron and scrap steel prices.

Both the PPI and CPI were kept somewhat tame by energy prices. Crude energy prices gained only 0.2% in July, electricity costs dropped 0.2% and gasoline prices fell 4.2% — the biggest decline for that category since last November.

But again, this one-month moderation comes on the heels of a stunning rise: *Overall, energy prices stand 25.9% higher than they began the year.* And of course, crude oil continues to mark new highs, flirting with a \$50 level that it seems destined to capture in good time.

Add it all up, and it is apparent that the next year, at least, should be very bullish for gold.

AN INTERESTING ADVANCE

A number of factors have also been working in gold's favor in the short-term. For one, the recent gains have sent the price comfortably above the key psychological level of \$400, and well above the 200-day moving average.

This has attracted technical buying from traders. Since much of the drop in July was due to traders shorting the metal, the recent gains have likely triggered a significant amount of short-covering.

Adding to all this has been a remarkable level of demand not only from Asia, but also, quite recently, from the Middle East. Some of this new buying appears to

be directly tied to the rising price of oil, and the profits being realized in the oil-producing nations of the region.

Finally, the surge in the gold equity indexes shows that more and more mining stock investors are also seeing the signs of a new gold rally, and are positioning themselves accordingly.

I am troubled, however, that much of the recent advance has been attributed to the relentless climb of crude oil prices. Analysts have been publicly (and mistakenly) worrying that high crude prices will be a cause of inflation (rather than an effect thereof). They are also counting on the fact that high energy prices will slow economic growth, preventing the Fed from raising rates again in the near future.

My concern is that the oil market is not being driven by fundamentals right now. Rather, it is being carried along by waves of investor emotion — and such tenuous support usually leaves even more quickly than it arrives.

This is why, as long-time readers know well, I don't believe in using geopolitical factors as a rationale for buying gold. The average investor will almost never find himself among the first to buy gold based on political or economic crises...but he will almost certainly be among the last to sell.

Simply put, there are better, more fundamental reasons to buy gold right now. Monetary inflation on a global scale, largely due to the amazing growth curve of China, is the primary one. And this trend isn't going to change direction anytime soon.

The end result is that the gold market will remain quite volatile in the weeks ahead. Many of the factors supporting the price right now

are headline-related, and can fade away or change directions in a flash. But the overall trend is solidly upward and, in fact, it appears that a new attack on \$430 is at hand.

A FEW OBSERVATIONS ON MINING STOCKS...

As we enter this next phase of the gold bull market, there are some new factors that have come into play for the mining and exploration stock sector.

One of the more important: The glut of new stock that flooded the market in the wake of last year's financing orgy will no longer depress prices to the same extent as before. Much of this stock overhang has been eaten through and, just as importantly, companies are now adequately cashed up.

As a result, it will be much easier for companies, particularly the junior explorers, to resist the temptation to finance for some time. This will provide a much firmer foundation for the next up leg.

On another front, the South African Reserve Bank slashed interest rates by 50 basis points on August 12 — an important move to halt the choking rise of the rand.

The latest quarterlies from the South African gold producers were very disturbing, as Durban Deep, Harmony Gold and their brethren fought rising costs spawned by the strong rand. Share prices rebounded nicely following the SARB's rate cut, and this bodes well for the future of the South African producers.

Lastly, you'll notice that, with this issue, I've done away with the "stop loss" prices in our company updates. Feedback after this spring's precipitous downturn convinced me that few of our readers act on these stop loss recommenda-

tions, which is a difficult proposition in any case.

The end result is that these stop loss recommendations accomplish very little besides polishing this newsletter's track record. And that is no reason to continue using them.

So, in their absence, follow my general advice for speculating in this very volatile sector, which can be capsulized thusly: *Don't forget to take profits.* Whenever possible, sell enough of your position on strong rallies to essentially pay for the remaining position.

And I think we'll have some of those rallies in the near future. As you will see in this month's reviews — now that the summer doldrums are about over and investors are beginning to pay attention once again — many of our recommended companies are set to deliver important news.

ANOORAQ RESOURCES

(ANO.Amex; ARQ.TSXV)
(800-667-2114)
anooraqresources.com

The advantages of the reverse takeover Anooraq is about to consummate with Pelawan Investments are almost too numerous to mention. But I'm going to give it a shot.

The most obvious benefit is the access the merger gives Anooraq to Ga-Pasha, a massive platinum group metals (PGM) project on the eastern limb of South Africa's Bushveld complex. Once this deal is done, the company will own a 50% share of this massive, 65-mil-

lion-ounce PGM deposit.

That alone is cause to celebrate. But when you add in the benefits that will emanate from Anooraq's new status as South Africa's only foreign-operated Black Empowerment Enterprise (BEE), you've got a scenario that would put a smile on the face of the most battle-hardened mining stock investor.

As a BEE, the company will be able to participate in new exploration and development deals. Considering that South Africa produces more gold and platinum than any other country in the world — and that the market for these metals is about to skyrocket — this preferred status puts Anooraq in the proverbial catbird's seat.

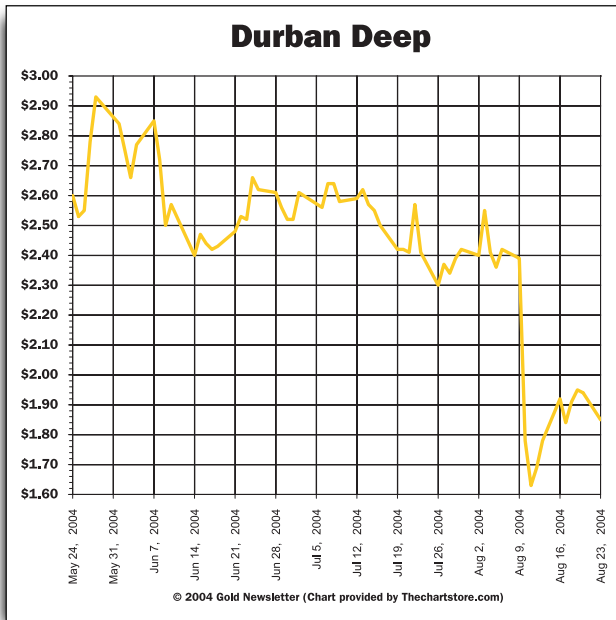
And, because the company is based in Canada (it's part of the Hunter Dickinson group), it will enjoy the best of both worlds — a privileged place in the country in which it operates, and unfettered access to the North American capital markets.

The deal should clear its last hurdle on September 10, when Anooraq's shareholders will likely give their thumbs up to the agreement.

In the meantime, the market will continue to fret about the strong rand's effect on South Africa-based mining companies. As I've noted, the South African government has finally come to its senses, and is reversing the rand's rising trend. This will bode well for all the companies operating in the

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“...the gold market will remain quite volatile in the weeks ahead. Many of the factors supporting the price right now are headline-related, and can fade away or change directions in a flash.”



region and, as is already being seen, will attract much greater investor interest.

Based on accretive value alone, the merger should trigger an upside breakout from the current trading range. I suggest you build or increase your position in Anooraq before that happens.

Anooraq Resources

Recent Share Price:\$1.30
 Shares Outstanding:54.5 million*
 Market Cap:\$71.0 million
 Shares Outstanding
 Fully Diluted:64.4 million*
 Market Cap
 Fully Diluted:\$83.7 million

* pre-merger

DURBAN DEEP

(DROOY.Nasdaq)
 (27-11-381-7800)
 durbans.com

As I watched poor second quarter earnings send its stock into a tailspin, it occurred to me that not many companies are as predictably unpredictable as Durban Deep.

Because South African miners pay their operating costs in the local currency, and produce a product that is denominated in U.S. dollars, the strong rand has been dampening the

performance of all the producers in the region.

But for Durban Deep, which is saddled with high-cost domestic operations, the effect has been truly punishing.

Its numbers certainly *were* cause for concern. Year-over-year fourth quarter profits were cut in half. Gold production fell 5.1% from the previous quarter to 228,465 ounces. Only Durban's Australasian operations, which now account for 31% of company-wide production, prevented the company from ending the year in the red.

In particular, huge losses at its Blyvoor operation look likely to force a wrenching restructuring similar to one executed last year at two of the company's North West mines.

On a decidedly brighter note, DRD has been steadily increasing its position in Emperor Mines, an Australian company operating gold projects in Fiji. With a commanding 45.33% stake in Emperor, Durban will soon raise its Australasian production to 350,000 ounces, leaving it just 50,000 ounce short of its production goal for the region.

So far, the market has ignored this silver lining and focused instead on the gray cloud that is the company's earnings release. But, as I've said numerous times in previous recommendations, this kind of uneven performance is par for the course, and Durban has a storied history of pulling back from the brink.

As a highly leveraged play on the price of gold, DRD has consistently followed steep declines with dramatic rebounds. These periodic,

stomach-wrenching drops have historically proven themselves, in retrospect, to be extraordinary buying opportunities.

Such appears to have been the case this time around, as the South African government's decision to drop interest rates, in an attempt to reverse the rise of the rand...coupled with the rebound in gold...has sent Durban's share price roaring back from the low.

Given my bullish outlook for gold, Durban is still a buy — for those psychologically and financially able to withstand the volatility.

Durban Roodepoort Deep

Recent Share Price:\$1.72
 Shares Outstanding: ...233.0 million
 Market Cap:\$400.8 million

GREAT BASIN GOLD LTD.

(GBN.Amex; GBG.TSXV)
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 greatbasingold.com

It's hard to over-emphasize the value that accrues to Great Basin Gold's Burnstone project because of its proximity to the surface.

A key component of any feasibility study is how quickly a working mine can pay back its development costs. The shallower the deposit, the less expensive it is to mine.

Burnstone is that ideal combination of deposit size and economic viability. Because of the site's favorable geology and topography, Great Basin is considering a decline model to develop the deposit — an approach that would be considerably less labor-intensive and more cost-effective than if they had to sink the types of production shafts typical for the region.

Management is extremely sanguine about Burnstone's prospects. Having already confirmed 8.1 million ounces of inferred gold

resource, they are now shooting for the 10-million-ounce mark.

Moreover, they strongly believe that this property hosts one of those seemingly bottomless deposits that have made the Witwatersrand the world's premier gold district. A 20- or 30-million-ounce resource is well within the realm of possibility.

In other news, development work is about to begin at Ivanhoe, a joint-venture gold project that sits along Nevada's historic Carlin Trend. Great Basin, along with 50%-partner Hecla Mines, now has the permits in hand to develop a mine capable of producing 150,000 ounces of gold annually. Production is targeted to begin in 2007.

As I said last month, and as I'll also stress later on with Northern Dynasty (another developmental company in the Hunter Dickinson group), don't let the current slow pace of news scare you away from this greatly undervalued company.

Burnstone is simply too juicy a morsel, one a South African major is bound to gobble up at a substantial premium to Great Basin's present market capitalization.

Great Basin Gold

Recent Share Price:\$1.22
 Shares Outstanding:72.6 million
 Market Cap:\$88.6 million
 Shares Outstanding
 Fully Diluted:100.2 million
 Market Cap
 Fully Diluted:\$122.2 million

IAMGOLD CORP.

(IAG.Amex; IMG.T)
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 www.iamgold.com

It looks like we have a winner in the Iamgold sweepstakes. South African major Gold Fields Ltd. has agreed to a \$2.1 billion stock-based merger that, when consummated, will create the world's seventh largest gold producer.

Under the deal, Iamgold will buy the assets Gold Fields holds outside the Southern African Development Community (SADC) by issuing 351.7 million shares of its stock. This transaction will give Gold Fields shareholders a 70% stake in the new company, which will now operate as Gold Fields International.

Iamgold shareholders will own the remaining 30%. Once the deal clears the approval process, they will also receive a one-time dividend of C\$0.50 per share.

This certainly looks like a win-win for both sets of shareholders.

From Iamgold's perspective, the new company offers improved geographic diversity and the chance to leapfrog into the world's top 10 gold producers — the 2005 forecast for the newly minted Gold Fields International calls for gold-equivalent production of two million ounces.

From Gold Field's perspective, it gains a collection of international assets that will help inoculate it to the negative effect the strong rand is having on its domestic operations. The price isn't cheap, but the end result is well worth it for Gold Fields. If this deal closes, the new company will be the envy of its South African peers.

Iamgold's board certainly got what they wanted. Determined to find a suitor more to its liking, the board went to great lengths to fend off Golden Star Resources' hostile bid. The Gold Fields offer officially put Iamgold out of Golden Star's reach, and the unwanted suitor quietly let its offer expire earlier.

The approval process will be fairly drawn out, but I feel confident the merger is

going to happen.

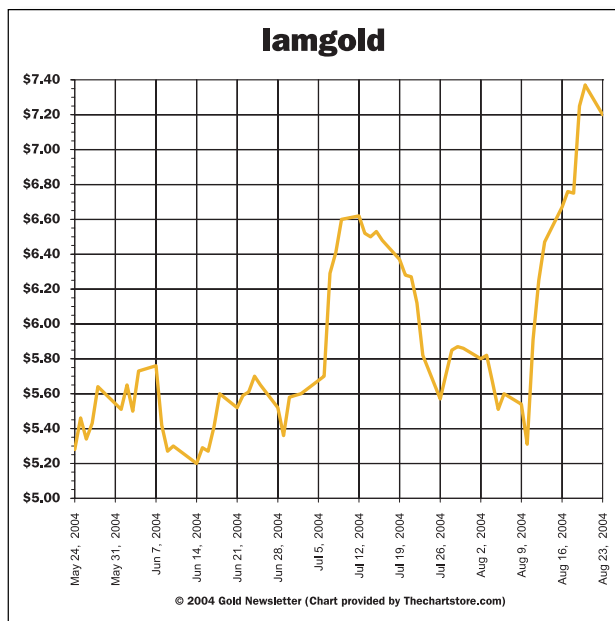
In the meantime, Iamgold continues to go about its business. Earlier this month, it released encouraging drill results from Quimsacocha, an early-stage project in southern Ecuador.

Quimsacocha sits on a 10,000-hectare property that management believes has a good chance of hosting an epithermal gold deposit. It has been actively drill-testing an altered volcanic sequence cut by an intrusive pipe complex four kilometers in diameter.

Of particular interest is the D1 Zone, where Vein 11 turned in an eight-meter intersection averaging 24.4 g/t gold and 113.2 g/t silver earlier in the year. The current drilling follows up on these results. Although the program tested several veins, staff geologists seem most intrigued by Veins 112 and Vein 103

Hole 112 cut through a 9.1-meter section of Vein 112 grading 24.7 g/t gold, 52.9 g/t silver and 2.4% copper. The core also returned sections of lower-grade mineralization lying 28 meters under this particular vein. The inferred pattern of mineralization suggests that a por-

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phyry-type deposit at Quimsacocha is not out of the question.

On to Vein 103, where Hole 122 intersected 9.5 g/t gold, 46.7 g/t silver and 0.4% copper over 101 meters. Before you get too excited over these numbers, you should know that this was one of those false “honey holes” about when the drill bit cuts right down the center of the vein.

Still, the results are exciting enough that a second diamond drill rig has been brought in to further define the structure.

Yes, a single project like Quimsacocha seems a bit insignificant when considered against the size of Iamgold today, and especially in comparison to the size of the proposed Gold Fields International. But these results give a window into what a powerhouse the new company should be.

The combined entity will have projects just like Quimsacocha in progress on five continents, will be unhedged and well-capitalized. In short, a play on both gold and organic growth.

We’ve done very well by our Iamgold investment, with a 57% return to date. Considering where both gold and the new company are going, I think it’s worth sticking around for some more gains.

Iamgold Corp.

Recent Share Price:\$7.03
 Shares Outstanding:145.6 million*
 Market Cap:\$1.0 billion
 Shares Outstanding
 Fully Diluted:151.6 million*
 Market Cap
 Fully Diluted:\$1.0 billion
 *pre-merger

KNIGHT RESOURCES

(KNP.TSXV)
 (604-684-6525)
 knightresources.ca

Now that the drills are turning

on Knight Resources’ West Raglan nickel property, it’s worth revisiting this project’s huge potential.

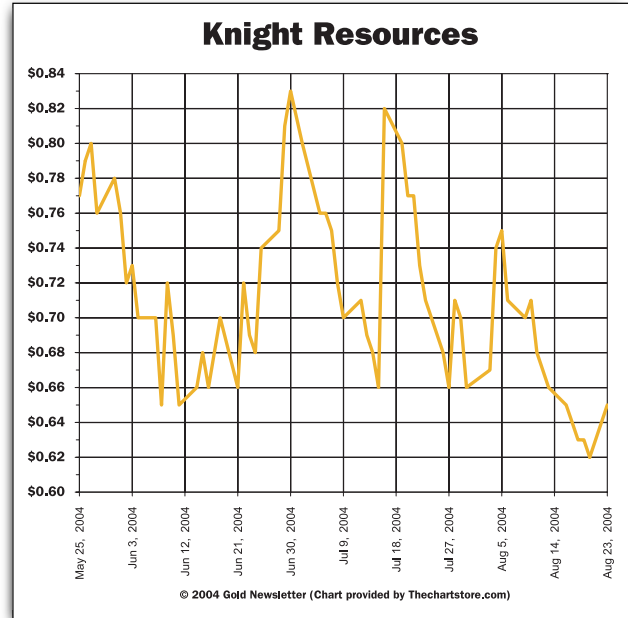
West Raglan lies directly on trend and has the same geology as Falconbridge’s enormously productive Raglan mine, which produces one million tons of nickel and other metals annually.

Both properties are located within the Cape Smith Belt, where two distinct geologic settings — the Raglan Formation and the Delta Formation — play host to all of the region’s know nickel deposits.

Knight Resources is joint venturing West Raglan with industry giant Anglo American. Sky-high nickel prices over the past few years have sent Anglo’s geologists scouring the globe for large-scale nickel deposits, and they have very high hopes for this property.

The JV agreement allows Knight to earn up to a 49% stake in West Raglan if it spends C\$11.8 million on exploration before the end of 2006. Anglo has already kicked in 20% of that total by taking a private placement interest in Knight. On top of that, Quebec’s government reimburses 45% of exploration costs, so this junior is effectively spending “35-cent” dollars to explore this property.

The nickel-bearing structures at West Raglan consist of discrete sulphide lenses ranging in size from only a few meters to tens of meters thick. While relatively small, they are typically extremely rich. Consider this: One 14.75-meter interval from last year’s drilling program at West Raglan



contained a metal value equal to 1.4 ounces per ton of gold!

Eight out of 18 holes from the aforementioned drilling campaign yielded exceptional nickel-copper-platinum group metal values. Still, we’re only talking eight holes here.

So why am I so enthusiastic about this property’s potential? Because Knight’s geologists, professionals who were part of some of the most exciting nickel discoveries of the past 20 years, feel that the mineralization they’ve encountered is a *carbon copy* of that found in the Raglan deposits being mined by Falconbridge.

The 2004 exploration program at West Raglan kicked off in July with a second drill and a better understanding of the underlying geology. I would be sorely disappointed and, frankly, shocked if they didn’t follow up on last year’s results with more outstanding intersections.

Knight has a very talented geological group, and they’ve got a potential monster on their hands at West Raglan. With fresh assays due sometime over the next month, this may be your last chance to get involved at a decent price. I urge you to take it.

Knight Resources

Recent Share Price:C\$0.61
Shares Outstanding:47.6 million
Market Cap:C\$29.0 million
Shares Outstanding
Fully Diluted:72.0 million
Market Cap
Fully Diluted:C\$44.0 million

LAKE SHORE GOLD

(LSG.TSXV)
(604-669-3533)
lsgold.com

Although it has always offered a nice combination of near-term production potential and an array of exciting, early-stage projects, Lake Shore has been flying under the market's radar screen for quite some time.

I think the obscurity is about to end.

You see, the most promising of the company's advanced-stage properties is the Timmins Gold Project, a high-grade gold deposit that sits atop the historic Timmins Gold Camp, the second largest gold mining camp in North America. Lake Shore recently completed Phase I of a drilling program designed to delineate a near-surface zone that management believes can be mined as an open pit.

The last batch of results from this program certainly lend credence to that belief. Timmins' Footwall Zone turned in intersections as high as 6.24 g/t over 9.45 meters and 6.56 g/t over 4.35 meters. Similar results came back from the Ultramafic Zone, where Hole TG04-58a returned 6.67 g/t over 4.10 meters.

Step-out drilling has commenced on a new area (dubbed the "Deep Zone"), which suggests that the property's mineralization extends considerably further to the West of its three established zones: the Main, the Footwall and the Ultramafic. The first hole yielded a

spectacular 5.85-meter intersection grading 5.85 g/t gold.

The results from Phase I are now in the hands of Watts, Griffs & McOuatt, a respected mining consultant that will soon complete an independent resource estimate — perhaps by the time you read this. Given the fact that the results from this drilling program have been uniformly good, it seems likely that the resource estimate will come up with some surprisingly large numbers — large enough to finally garner the market's attention.

As with the rest of its peer group, Lake Shore has been trading lower over the past several weeks. I think the trend will reverse when the independent resource estimate comes out for the Timmins project, and I would advise you to stake your position beforehand, if possible.

Lake Shore Gold

Recent Share Price:C\$0.72
Shares Outstanding:34.5 million
Market Cap:C\$25.0 million
Shares Outstanding
Fully Diluted:43.1 million
Market Cap
Fully Diluted:C\$31.0 million

MEXGOLD RESOURCES

(MGR.TSXV)
(902-468-0614)
mexgold.com

Powered by the same top-drawer management team that brought us Gammon Lake, Mexgold Resources is following that company's recipe for success.

And that recipe is as follows: consolidate the claims on an historically productive gold-silver district in Mexico. and then apply cost-cutting

strategies and modern mining techniques to vastly expand production and gold-equivalent resources.

Mexgold's two properties, the Guadalupe Gold-Silver Project and the El Cubo Gold-Silver Mine, both fit the Gammon Lake mold.

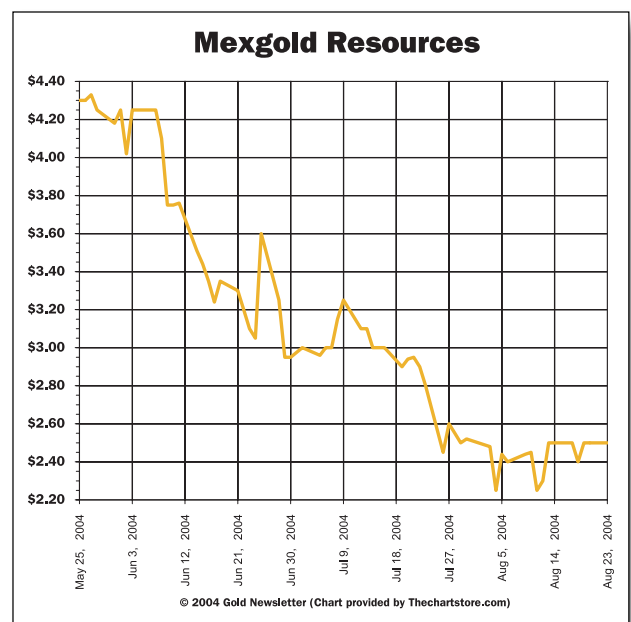
Located in Chihuahua state, Mexico, Guadalupe's history dates back to the 1830s, when two British companies were mining ore thought to average over one ounce of gold and 27 ounces silver per ton. The company has set a goal of uncovering a 3.5-million-ounce gold-equivalent resource remaining on this property

Mexgold began this process late last year and, by January, was so encouraged by assays turned in by the first 10 holes drilled on Guadalupe, they expanded the drilling program from 10,000 meters to 30,000 meters.

The second batch of results, which focused on grid-drilling around the most promising holes from the first round, hit the newswires in late-June, and they were equally impressive.

All 19 holes produced intersec-

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“Only now, with drill programs beginning on some of its projects, is Miranda positioned to benefit from news of its own making.”

tions above a 3.0 g/t gold-equivalent cut-off. The highlight of round two was Hole GC-11, which graded 20.3 g/t gold and 171 g/t silver for a total gold-equivalent grade of 22.9 g/t over 3.0 meters.

And the drills continue to turn at Guadalupe. So expect Mexgold to announce another round of results in the next few weeks. Considering the trend so far, I think we'll like what we hear.

Things are also heating up at El Cubo, the company's other project. Over the past five years, the El Cubo mine has produced 58,000 ounces annually of gold-equivalent metals. Mexgold acquired it in the belief that it could reduce production costs and prove up more reserves.

Again, true to form, the company has an aggressive plan to raise annual production to 100,000 ounces and expand the current resource to two million ounces of gold-equivalent. As of June, the opening round of a 60,000-meter drilling program was well underway.

The initial work will focus on the property's Villalpando del Alto vein, where 120 meters of tunneling has turned up high-grade samples averaging 37.0 g/t gold-equivalent over a width of .75 meters.

To recap, Mexgold is conducting a 30,000-meter exploration of Guadalupe and a 60,000-meter campaign at El Cubo. As I've said before, these guys are not afraid of the drill bit. With this much activity, the pace of news flow — which has been atypically slow so far this year — should pick up dramatically in the coming months.

In the meantime, the lack of announcements, combined with the general malaise in the sector, has seen the share price fall significantly since April. However, I don't expect it to stay at current levels much longer. Buying now, in advance of the next round of drill results, would be a wise decision.

Mexgold Resources

Recent Share Price:C\$2.25
Shares Outstanding:18.7 million
Market Cap:C\$42.1 million
Shares Outstanding
Fully Diluted:29.0 million
Market Cap
Fully Diluted:C\$65.3 million

MIRANDA GOLD

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This spring, when the market began to realize that Placer Dome had uncovered about seven million ounces of gold — at least — at its Cortez Hills property in the Eureka-Battle Mountain gold belt of Nevada, the region quickly became one of the hottest exploration frontiers on the planet.

A staking rush ensued, and juniors were quick to point out how close their properties were to the newly christened “Cortez Trend.”

Recent, tantalizing results from drilling at Victoria Resource Corporations (VIT.TSXV) Mill Canyon property, not far from the Cortez Hill discovery, have added major fuel to the fire.

With a significant assemblage of ground in the region, and what is likely the best technical team in Nevada, Miranda Gold has benefit-

ed greatly from all the excitement. Only now, with drill programs beginning on some of its projects, is Miranda positioned to benefit from news of its own making.

First off, the company recently inked a joint venture agreement to explore its Redlich project with Newcrest Resources, a subsidiary of Australian major Newcrest Mining. Under the agreement, Newcrest can earn up to a 65% interest in Redlich by spending \$1.8 million in exploration by 2012.

Located within the Walker Lane Structural Zone in Esmeralda County, Nevada, Redlich holds promise of hosting a low-sulphidation, epithermal system. Surface samples have uncovered veins assaying up to a pulse-quicken 4.0 oz/ton gold and 20.0 oz/ton silver.

The initial 15-hole drilling program will probe the combined 104 claims at Redlich that Newcrest and Miranda currently own. Drilling will focus on previously outlined areas of mineralization, which occur in quartz fracture zones.

Redlich is just one of the projects Miranda is exploring through joint venture agreements. The deal with Newcrest, along with the announcement last month of a joint venture with Lincoln Gold to drill the company's Hercules project (a potential Comstock analog), underscores the company's ability to mitigate risk and expand its potential by enlisting partners to do the heavy lifting.

Much of this ability has to do with the geologic firepower of Miranda's corporate officers. As I've noted in previous issues, President Ken Cunningham and VP of Exploration Joe Hebert both have well-earned reputations as leading experts on Nevada geology and gold exploration. Hebert was, in fact, an important contributor to the success of the Cortez Hill dis-

covery, and was responsible for Placer's similarly significant ET Blue discovery further to the south.

With their guidance, Miranda has laid claim to eight properties covering over 15,000 acres along the Cortez Trend, an area that will no doubt be one of the world's most actively-explored gold districts over the next few years.

Miranda's extensive knowledge of the markers for large-scale Carlin-type gold deposits puts it in an enviable position among junior exploration companies with Nevada mining interests.

As a highly leveraged play on gold with tons of upside, I think this company's stock is a steal at current levels. It has the properties, the partners and the people to generate a lot of positive news over the next six to 12 months. On that basis, it's a strong buy.

Miranda Gold

Recent Share Price:C\$0.57
 Shares Outstanding:21.5 million
 Market Cap:C\$12.3 million
 Shares Outstanding
 Fully Diluted:30.5 million
 Market Cap
 Fully Diluted:C\$17.4 million

NEVSUN RESOURCES

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 (888-600-2200)
 nevsun.com

The final assays are in from this season's 31,253-meter drill program at Nevsun's Bisha project, and they are excellent.

Highlights included intersections of 19.5 meters grading 28.29 g/t gold, 34.5 meters at 4.04% copper and 28.1 meters at 12.17% zinc. These results compare favorably with previous assays, and further confirm this Eritrea-based deposit's world-class status.

Nevsun has turned over Bisha's

drilling data to AMEC, which should have an inferred resource estimate completed by the middle of September. Given the eye-popping assays turned in over the last several months, I expect news of that estimate to provide an adrenaline shot to the company's share price.

These latest results paint a vivid picture of the site's geology. Imagine a slab of Neapolitan ice cream — that's what a cross-section of Bisha would look like. A layer of near-surface gold oxide rests on a layer of enriched copper which, in turn, rests on a layer of zinc-rich sulphide.

Because the precious metal layer lies closest to the surface, Nevsun should be able to quickly recover its development costs by peeling it off the top. Doing so will leave the company with a long-lived and potentially lucrative base-metal operation.

Judging from its most recent earnings release, the company will have no problem funding the project internally, should it decide to go that route. That's because, by mid-2005, its Tabakoto Mine should be in full-scale production.

Once operations commence, Nevsun estimates that Tabakoto can generate 105,000 ounces of gold annually. And, thanks to a highly successful equity offering last December, Nevsun can fund the project from its current cash hoard.

The decision to fund and develop Tabakoto itself was a controversial one in the mining industry, and led some analysts

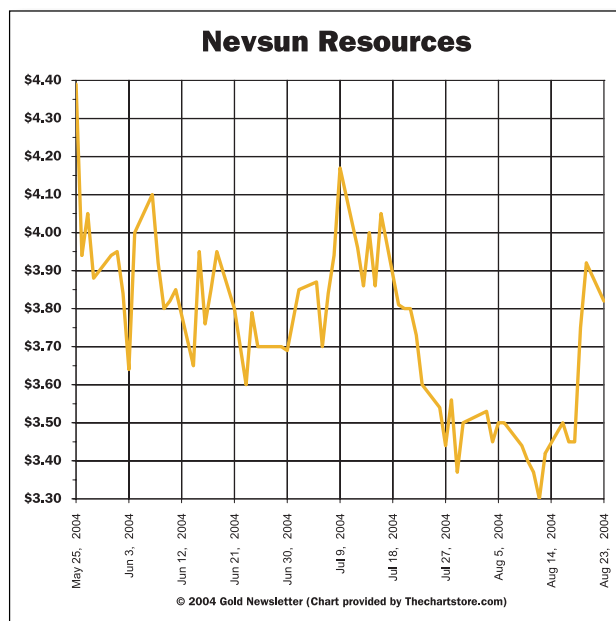
to second-guess their recommendations of Nevsun. I generally don't like it when juniors try to develop their discoveries. Time is money, and as a speculator, I'd rather see the quicker profits that come with a buy-out of a project or a company.

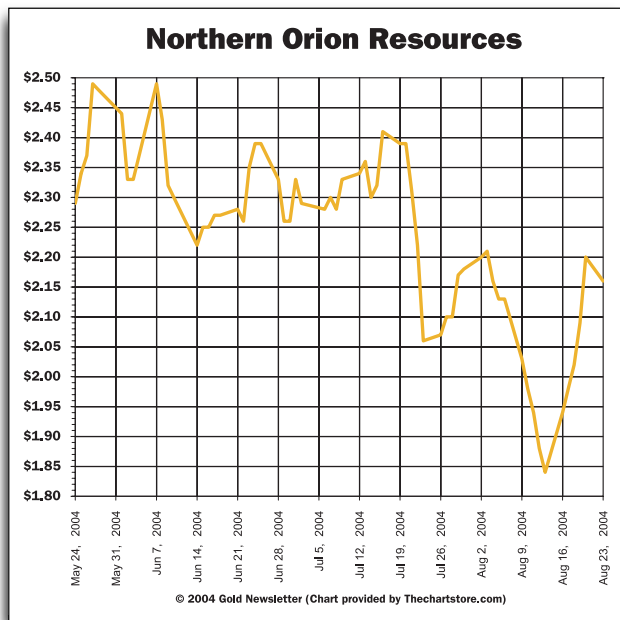
But Bisha is still at an early stage, and the Tabakoto project wasn't going to be bought out anytime soon. By fast-tracking the project's development, Nevsun will be in production by the time Bisha is likely to start attracting serious suitors. At that time, with cash flow and greater financial independence, Nevsun will be in a far better negotiating position.

It's easy to second guess management, but Nevsun made a tough decision, and it's one that should work out to the long-term benefit of the company's shareholders.

As I said in my June recommendation, Nevsun was one of the few big ones to get away from us over the past few years. So I tried to capture this opportunity on this downswing. Although we didn't catch the bottom, the stock has been a steal at this summer's prices. It remains one at its current level.

(Continued...)





Nevsun Resources

Recent Share Price:C\$3.84
 Shares Outstanding:73.8 million
 Market Cap:C\$283.4 million
 Shares Outstanding
 Fully Diluted:85.0 million
 Market Cap
 Fully Diluted:C\$326.4 million

NORTHERN DYNASTY MINERALS

(NDM.TSXV;
 NDMLF.OTC BB)
 (800-667-2114)

northerndynastyminerals.com

While most mining stock investors rightly hold a steady stream of news flow near and dear to their hearts, veteran players know a good buy-and-hold play when they see one.

Northern Dynasty Minerals falls into this latter category. In January of this year, the company released an independent resource estimate that nearly doubled the inferred gold and copper reserves at its 100%-owned Pebble deposit in Alaska.

Let's face it — when you tell the world you're sitting on 26.5 million ounces of gold and 16.5 billion pounds of copper, anything

you announce afterward is bound to suffer by comparison.

But that doesn't mean Northern Dynasty isn't hard at work. With the presence of a world-class deposit now firmly established, the company is heavy into the "blocking and tackling" phase of the operation.

Thanks to Hunter Dickinson's financial firepower, NDM has over C\$30 million in the bank, money that

will be put to work collecting the engineering, environmental and socioeconomic data necessary to complete a bankable feasibility study by 2005.

Everything appears to be going smoothly.

The drills are turning to bring the inferred resource into the measured and indicated category. Technical and environmental consultants are gathering information needed to expedite the permitting process. And NDM management is forging a relationship with the state of Alaska on issues like roads, jobs and potential port sites.

None of this is glamorous stuff. But taken together, these actions are indicative of the efficient and effective management style common to all the companies in the Hunter Dickinson stable. If you believe, as I do, that we're in the midst of a gold bull market, it's hard to think of a better company to bet on than Northern Dynasty.

Northern Dynasty Minerals

Recent Share Price:\$4.08
 Shares Outstanding:34.5 million
 Market Cap:\$141.0 million
 Shares Outstanding
 Fully Diluted:45.6 million

Market Cap

Fully Diluted:\$186.0 million

NORTHERN ORION RESOURCES

(NTO.Amex; NNO.T)
 (604-689-9663)
northernorion.com

Sometimes the market hands you a gift. That's the best way I can describe its reaction to Northern Orion Resources' second quarter earnings report.

It appears that short-term investors have decided to fixate on the reduction in quarter-over-quarter cash flow coming out of Alumbraera, the huge Argentine copper-gold mine in which Northern Orion holds a 12.5% stake. Knee-jerk selling took the stock significantly lower when the company released its numbers earlier this month.

While it's certainly true that cash flow, EBITDA and production were all down from the first quarter, the sellers are missing the bigger picture.

And the big picture is this: Northern Orion is extraordinarily well-positioned to take advantage of the next run up in gold and copper prices. At this point, regular readers can recite by rote the reasons why I'm bullish on gold. And, if you've been keeping up with my updates on NNO and Taseko Mines (among others), you know I am similarly optimistic about copper's prospects.

The West's recovery and China's explosive growth are exerting considerable pressure on the world's copper supplies. In fact, if current demand continues, the London Metal Exchange warehouses will be devoid of copper within the next couple of months!

In short, everything points to rising copper prices for the foreseeable future.

What's more, Alumbraera consistently churns out copper at a negative cash cost, net of gold credits. The mine's cost-per-pound was negative \$0.02 per pound for the second quarter and negative \$0.07 for the first half of 2004. Even if copper's price dropped back to \$0.80 per pound (a level not seen for over a year), this operation would still be a major cash cow for the company.

Plus, consider this fact — the cash flow and EBITDA numbers NNO reported for the first half of 2004 have already surpassed the numbers the company turned in for all of 2003. Indeed, when Northern Orion released its annual report last January, it predicted that its interest in Alumbraera would generate around \$25 million in cash flow. As of this mid-year report, that number has ballooned to \$45 million.

The company can use this money to help fund its other major project: Agua Rica. Located just 20 miles from Alumbraera, this massive deposit hosts an inferred resource comprised of 10 million ounces of gold and 18 billion pounds of copper. With its enviable cash position, Northern Orion can produce a feasibility study that includes a planned conveyor-belt connection between Agua Rica and the processing facilities at Alumbraera.

Given everything this company has going for it, I don't see how the stock can stay at current levels much longer. My advice — buy now, before the rest of the market comes to its senses.

Northern Orion Resources

Recent Share Price:C\$2.77
 Shares Outstanding: ..107.2 million
 Market Cap:C\$297.0 million
 Shares Outstanding
 Fully Diluted:162.2 million
 Market Cap
 Fully Diluted:C\$449.3 million

SOUTHWESTERN RESOURCES

(SWG.T)
 (604-669-2525)
 swgold.com

In last month's letter, I told you to "consider Southwestern a buy...if there is no negative news on Boka." I gave this advice based on my belief that the company's stock will recover soon from the setback it suffered in late-July. And nothing has happened in the intervening weeks to dampen my enthusiasm for this exceptional company.

In fact, the company recently released another round of results, further confirming the extent of the mineralization. Five of the six holes released were drilled as part of the in-fill program at the Boka 1 South Gold Zone, while one hole was drilled at Boka 7.

As the accompanying table shows, the results fell into line with previous drilling, verifying the average thickness of the mineralized zone, with just slightly lower grades. Importantly, Hole 36 shows the potential for additional, lower gold zones, albeit at considerably lower grades.

Southwest-ern's share price strengthened a bit on these results. The real gains, however, will be seen if and when we see good results from sampling on the newly discovered Boka 7 Lower Gold Zone, and at the company's Liam gold-silver joint venture with Newmont, in Peru.

On that score, I wouldn't expect any drill

results for at least a couple of weeks, as Southwestern — and a number of other explorers — scurry to lock up prospective ground in the area.

So, while the company's share price has recovered somewhat with the strength in gold, we may have reentered another news vacuum for the company. If so, I urge you to take advantage of it to build your position — because this may be the last news vacuum in its history.

To understand why, let me address a couple of concerns that many investors have with Southwestern.

Concern #1: The pace of news flow is too slow.

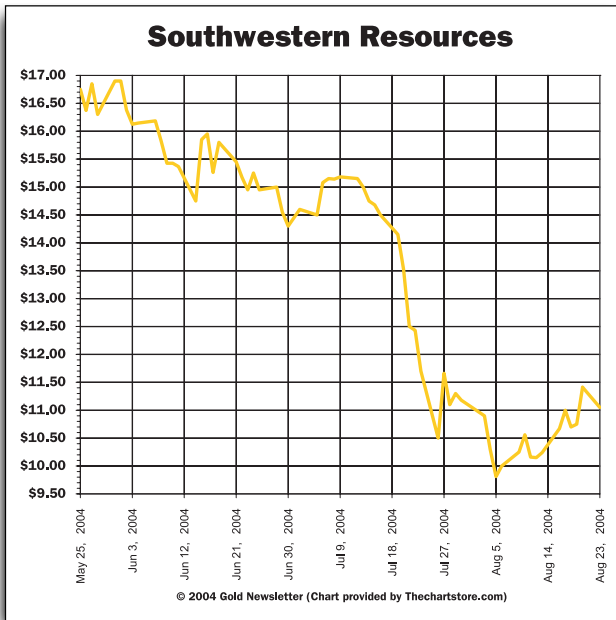
Mining stock investors count on steady news flow to drive an exploration company's share price. In a bull market, "good news" press releases hit a stock chart like a jolt of electricity.

When a huge property like Boka develops a habit of announcing new drill results at a snail's pace, paranoia, that little voice that says "no news is good news," begins to get the best of shareholders. If that voice grows insistent enough, it can turn a day of mild

(Continued...)

Southwestern's Recent Boka Drill Results

Hole	From (meters)	To (meters)	Interval (meters)	Grade (g/t)
Boka 1 South				
B04-36	117.0	150.5	33.5	3.00
	222.8	257.9	35.1	1.40
	287.1	312.7	25.6	1.80
B04-37	16.0	54.0	38.0	4.30
B04-38	65.4	117.2	51.8	2.10
B04-39	96.9	121.7	24.8	3.20
B04-41	235.6	276.4	40.8	1.30
Boka 7				
B04-40	132.2	164.8	32.6	2.60



profit-taking into in all out sell-off.

Rebuttal: The pace of news is slow, but that's nothing new.

If there has been one overriding theme to my coverage of Southwestern over the past year, it has been that this company's story will take time to develop. Most of the exploration stocks we cover have one or two advanced-stage projects that, with astute management and a little luck, can turn into productive, profitable mining operations.

Southwestern's Boka project is an animal unto itself. We're not talking about a blockbuster deposit. This is a new gold district, with resources that will take years just to outline. This last point I think is key to why drill results aren't coming fast and furious.

When you have this much area to work with and when you seem to strike gold no matter far you step-out from your initial targets, you have a genuine dilemma: Do I continue my step-out program to outline the parameters of a vast, mineralizing system or do I concentrate on in-fill drilling the initial targets to fast-track a resource estimate?

Southwestern has chosen (I think correctly) to concentrate first

on outlining the property's potential. Once most companies find a prospective deposit, the pressure is on to drill up a proven or indicated resource. Because Southwestern's management team is confident in the consistency of the mineralization at Boka, and knows full well that the market will always find money to explore a property of this size and scope, they have not felt this pressure as acutely.

A side note...

All this being said, management is clearly aware that they need to pick up the pace of news. To that end, it announced an agreement with Yunnan Bradley Drilling Ltd. to deliver two Boart Longyear LF90 drills as part of a 10,000 meter expansion of the current drilling program at Boka, to a new total of 40,000 meters.

According to the company, the new drills "will allow deeper target penetration and increase the flow of information from the Project." The new equipment, which will be on-site by mid-September, will increase the number of drills working on the project to seven.

Concern #2: The assays aren't spectacular.

The intersections cut to date on Boka 1 and Boka 7 have averaged, respectively, 3.57 g/t over 47.0 meters and 3.28 g/t over 55.4 meters. These results include the most recent six holes released.

Rebuttal: The results point to a mind-boggling gold resource.

These results may not compare with some of the spectacular grades seen in the first holes, but the sheer number of holes returning mineable grades over wide intervals across a

huge swath of land is adding up to quite a number.

Consider that analysts at Octagon Capital are forecasting, based only on the drilling to date, a resource of 16.5 million ounces of gold at Boka. Based on an average 2005 gold price of \$425, their one-year price target is currently C\$26.00 a share, but admit that — if a mineable reserve is defined and a bankable feasibility study is completed — the company could trade as high as \$78.00 a share.

Taking for granted that valuations built on these kinds of "guesstimates" should not be viewed as gospel, I definitely agree with the assumptions underlying their analysis. Gold prices should go much higher next year — I think \$425 an ounce is extremely conservative. What's more, I believe that, when it's all said and done, drilling will have turned up more than 16.5 million ounces in this vast gold district.

So what should you take away from this discussion? Just this — don't let the recent downturn or the slow pace of news fool you: Value is being built here...a lot of it...while the market is looking the other way. This is a "green light" buying opportunity. Take advantage.

Southwestern Resources

Recent Share Price:C\$10.99
 Shares Outstanding:42.1 million
 Market Cap:C\$463.0 million
 Shares Outstanding
 Fully Diluted:45.3 million
 Market Cap
 Fully Diluted:C\$498.0 million

TASEKO MINES

(TKOCF.OTC BB; TKO.TSXV)
 (800-667-2114)
 tasekomines.com

For months now, Taseko Mines has had October 1, 2004 circled on the calendar. That's the projected start date (or should I say "re-start" date) for its Gibraltar copper mine.

And, as we enter into September, everything continues to be on track.

Readers of some of our more recent letters are well aware of Gibraltar's potential. Hunter Dickinson, Taseko's parent company, snatched up this storied operation right at the nadir of the most recent downturn in copper prices. Now the company is on the verge of re-tapping a billion-pound copper resource just as prices for the metal are heading due north.

In June, I gave you a brief update on the Taseko's joint venture with Leducor CMI Ltd. Under the agreement, Leducor will handle all facets of mine operation, including drilling, blasting, as well as ore and waste hauling. It will also maintain equipment and recruit on-site personnel.

The fine print is still being worked out on this deal, but that hasn't prevented Leducor from putting 160 employees on the ground at Gibraltar. They're going full-throttle so they can throw the switch by the October 1 deadline.

And, thanks to a long-term copper concentrate sales contract with Switzerland-based Glencore Ltd., once the mine re-opens, the cash should start flowing immediately.

The rationale for owning a piece of Taseko is much the same as the rationale for owning Northern Orion. An economic rebound in the West combined with China's insatiable appetite for raw materials makes now the perfect time to leverage the price of copper, and these two companies are excellent vehicles for that strategy.

Taseko's stock price has been hovering around C\$1.50 for months, making it an excellent value relative to its blue-sky potential. If you want to ride the next bull market in copper, I recommend hopping on this company today.

Taseko Mines

Recent Share Price:\$1.08
Shares Outstanding:69.3 million
Market Cap:\$75.0 million
Shares Outstanding Fully Diluted:87.8 million
Market Cap Fully Diluted:\$95.0 million

WESTERN GEOPOWER

(WGP.TSXV)
(866-662-3322)
geopower.ca

Western GeoPower is a little out-of-the-box for a resource stock play. Investors used to thinking in terms of mineralization, intersections and grades have to switch gears.

Not that there aren't obvious similarities between the typical mineral exploration project and the work currently being conducted at South Meager, the proposed site for what would be British Columbia's first geothermal power plant.

In both cases, a drilling campaign is needed to determine if the desired resource is available in sufficient quantities. Both processes are capital-intensive and typically require years of extensive work and careful study to bring viable projects into production. And both have the potential to be extremely lucrative investments.

The difference is that Western GeoPower is not drilling to find metal deposits. It's looking for water — strategically placed water. All geothermal power plants derive their power from water that has been superheated by uplifts in the Earth's crust

that bring its inner core relatively close to the surface.

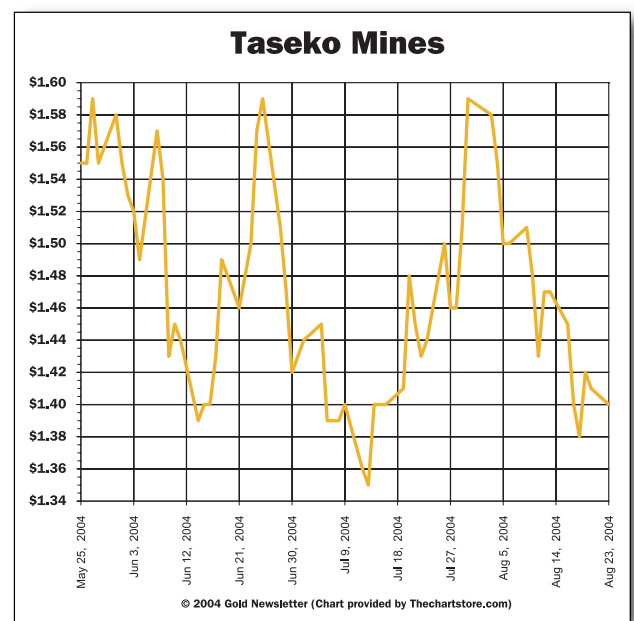
Unlike metal deposits, which are fairly widely dispersed around the globe, the geologic formations necessary for geothermal power lie only along the places where plate tectonics provide access to this natural source of heat. Also required is a complex of narrow, volcanic cracks and fissures, allowing ground water rainfall and snow melt to continually pool over these hot spots.

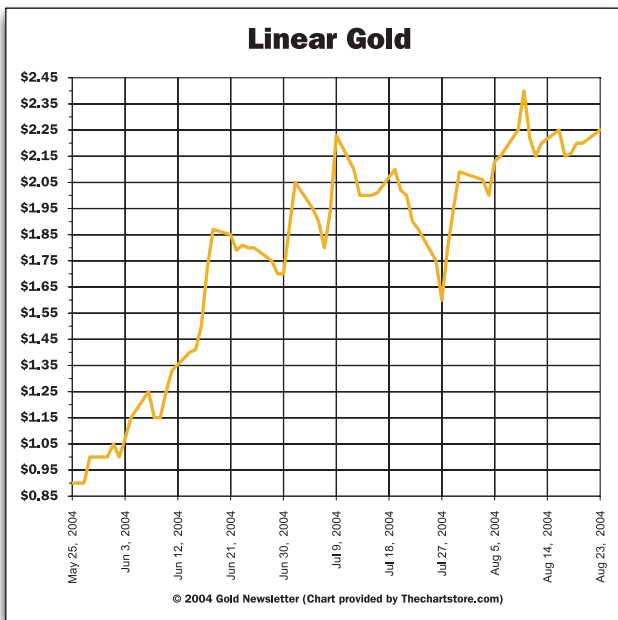
To access this power source, narrow holes are drilled to the depths necessary to draw this water up to the surface, where the hot water flashes into steam, driving a turbine that converts its heat into electricity. If conditions are right, geothermal energy is a clean, reliable and inexpensive source of power.

In today's environmentally-conscious world, a renewable energy source like this is worth its weight in gold — which is why I am so enthusiastic about Western GeoPower's prospects.

Assuming the final stage of drilling (the first results of which

(Continued...)





are due out next month) confirms expectations, WGP will be in perfect position to take advantage of the trend towards clean energy.

Because its natural beauty attracts a good number of environmental activists, that trend is probably more pronounced in British Columbia than in a lot of other places. The province already has to import 5,000 GWh every year. As part of its quest for increased capacity, the government has demanded that 50% of new power generation come from “green” power sources.

To get an idea of what effect this sort of public policy prescription can have on a company’s fortunes, consider what emissions regulations in California have done for the sales of hybrid vehicles like the Toyota Prius.

Into this tailor-made situation steps Western GeoPower, which sits atop a reliable, renewable energy source that leading consultant GeothermEx says has a 100% chance of annually producing 100 MW of power — enough to supply the electricity needs of 80,000 British Columbians. There’s also a 50% chance the plant could operate at a 200 MW/year level.

Even using the conservative 100

MW figure, GeothermEx estimates the project would generate an NPV of \$126 million and an IRR of 25.4%.

Simply put, if the company can put this plant into production, it will be a guaranteed money-maker from the moment the turbines start to turn — and for decades thereafter!

With that kind of carrot hanging in front of them, management has been advancing towards production as fast as possible. Once it has the fea-

sibility study from the current drilling program in-hand, the company has set a target date of 2007 for full-scale commercial power generation.

The time to buy this stock is now, because the price should rise significantly — perhaps as much as 100% — by the time WGP releases the study’s findings and gives the go-ahead for final development.

Again, if you’re used to looking at mining stocks, this play may seem a little unfamiliar. But I strongly advise you not to let that novelty deter you from accumulating a position.

Western GeoPower

Recent Share Price:C\$1.55
 Shares Outstanding:27.7 million
 Market Cap:C\$43.0 million
 Shares Outstanding
 Fully Diluted:38.9 million
 Market Cap
 Fully Diluted:C\$60.3 million

BRIEF NOTES...

- **Aurora Platinum** (ARP.TSXV; C\$1.10) has been relatively quiet in recent months, but thanks to an array of promising Nickel-Copper-Platinum Group Metal projects and a flush cash position, that should soon change.

About the time you receive this month’s letter, the drills will again be turning at Aurora’s Foy Offset property, a joint venture with Inco Limited.

Along with its Footwall Project, Foy accounts for the company’s holdings in Ontario’s Sudbury district, an area that boasts historical production of over 20 billion pounds of nickel, 20 billion pounds of copper and 20 million ounces of PGMs.

The next program will follow up on the promising assays from earlier exploration work done on Foy’s Nickel Lake Zone. Particular attention will be paid to the area around Hole NI-25, which returned a 40.7-meter intersection grading 0.77% nickel, 0.87% copper, and 425 ppb PGM. The hole provided confirmation of a conductive trend of sulphides extending 100 meters in strike and 400 meters in depth.

In other news, Aurora, having earned its 60% interest in the Footwall project — a joint venture with Falconbridge — is in the process of taking 100% ownership of the property. The transfer paperwork should be completed shortly, and a fall drilling campaign is planned here as well.

As of its first quarter earnings report, Aurora had \$4.6 million in cash to fund the exploration of Foy, Footwall and several other prospective projects in Ontario and Quebec. Look for the company’s share price to rebound from current levels as it turns this sizeable cash position into exploration headlines.

- **Linear Gold** (LRR.TSXV; C\$2.18) has made some interesting news recently. First off, the company received assays from the next two holes on the highly prospective Campamento zone of its Ixhuatan project, located in Chiapas, Mexico.

The results yielded one miss (Hole 11) and one very nice hit (Hole 12), which the market basically took as a wash. I remain very

positive about the Campamento target, but also want to draw your attention to the fact that things are also heating up at the company's other projects in Mexico, the Dominican Republic and Canada.

We recently received news from one of those projects, with Linear announcing that sampling had uncovered high-grade high grade polymetallic mineralization in the northeastern portion of its La Morena project, in northern Mexico.

Sampling on the new zone returned some nice silver values, with 36% of samples (nine out of 25) yielding over 100 g/t silver, topping out with one sample at 1,750 g/t. They also received

some very significant lead and zinc assays.

They are very early in the process, but it is important to note that this is an outstanding new target, and but one of a long string of such targets that now reside in Linear's portfolio. Ixhuatan (and its Campamento zone) is without a doubt the company's showcase project at this time, and the company is a buy right now based on this prospect alone.

But I expect a consistent flow of news from the rest of Linear's projects over the coming weeks, as this well-funded company advances on many fronts. In short, this is an excellent time to build up your position.

- **Western Silver** (WTC.T; C\$9.24) continues to hit good results at its Penasquito silver, gold, zinc and lead property in central Mexico, continuing to expand the current resource and uncover new targets. The company should release results from its latest round of drilling shortly, followed by a new resource estimate in October.

My opinion: The new numbers will be pleasantly surprising, to say the least. Already one of the largest silver projects in the world, Penasquito should grow dramatically larger with the next resource projection. The company remains a prime takeover target, and is a buy at the current price. ▲

Potpourri

MISCELLANEOUS NOTES AND OBSERVATIONS

BY BRIEN LUNDIN

■ Argentina buys gold

If you weren't watching closely, you might have missed one of the more important financial news items of the year on August 19.

That's when Argentina's central bank confirmed that it had bought 42 tonnes of gold in the first half of the year, as it follows a strategy of diversifying its reserves following the collapse of its dollar peg two years ago.

The significance of this event lies not in the amount of gold purchased (a little more than 1% of annual demand) or its relevance to Argentine reserves (less than 3% of the total). No, this news is important because it marks the reversal of

a trend in the opposite direction.

As respected gold market analyst John Brimelow remarked on the LeMetropoleCafe website, financial commentators are confused as to why gold has been steadily rising, and the Argentine announcement only added to their puzzlement.

"The news that the Argentine Central Bank has started rebuilding a gold position seems similarly to have bemused observers," noted John. "As none of them appear to remember, Argentina followed Australia in 1997 in the parade of Central Banks routing the gold market by announcing heavy sales (in this case, virtually all the country had). Since then, Argentina has

experienced a serious FX crisis, which makes it surprising to see the country straying off the dollar plan-tation."

Even more surprising were the comments by an anonymous Argentine central bank official, who extolled the investment merits of the metal. "We were positive about gold," he confided to Reuters. "We thought that in this international context with a war going on and the price of oil going up, we were relatively positive in relation to gold."

The official went on to stress the importance of central bank diversification in non-dollar assets, including gold. This is an amazing admission from a central bank, and

begs the question: Can this be the only central bank to feel this way?

In a word, no. Other nations are diversifying with gold, some publicly, some secretly. That the trend is building and becoming publicly acceptable from the central bankers' viewpoint holds tremendous, positive implications for the gold market.

■ Registrations surging for New Orleans 2004!

With gold heating up once again...with the upcoming presidential election promising to transform the economic landscape...and with the new threats of terrorist attacks on "iconic" landmarks of the U.S. financial system...registrations are starting to flood in for New Orleans 2004.

I've said it before, but it bears repeating: This may well be the most important investment event you will ever attend.

Think about it -- where else can you get an exclusive, closed-door intelligence briefing from recently retired CIA director George Tenet, the world's foremost authority on national security? And what could be more important than the information he will provide?

Of course, Director Tenet won't reveal any national secrets during his keynote presentation, his Question and Answer session, or our Geopolitical Panel. But, given his access to every piece of intelligence data known to our security forces, he knows which threats are

real...and what you need to do about them right now.

As valuable as Director Tenet's presentations will be, they are just the beginning of an extraordinary agenda for New Orleans 2004, featuring more than 50 of the world's leading experts on every area of investing.

And we aren't done yet: We are continuing to add speakers and presentations to add greater value and more actionable advice.

For instance, our Options Boot Camp is a \$695 value all by itself, but it's offered to you at no extra charge whatsoever. (Warning: Seating for this special Options Boot Camp, on the afternoon of Wednesday, November 10, is limited to the first 150 registrants to reserve their place. So call now to lock in your seat, and make your travel plans accordingly!)

I recommend that you call us now (toll free at 800-648-8411), or visit www.neworleansconference.com, to learn more and reserve your place. New Orleans 2004 is in danger of selling out, once again, in the very near future. So act quickly!

■ Spratt releases remarkable new report on gold market manipulation

Canada's Spratt Asset Management is known for making bold moves, and they've just made another one. Just as we were going to press, the

firm announced the publication of "Not Free, Not Fair: The Long-Term Manipulation of the Gold Price."

According to their press release, "The study represents the most thorough and detailed examination of allegations that the gold market has been subjected to severe price manipulation over the past several years."

I have not had time to review this report, but it is available to the public for free downloading from Spratt's website, www.spratt.com.

I have tremendous respect for John Embry and the rest of the Spratt team, for both their insights and their courage in tackling this contentious issue. I have little doubt that their study is a comprehensive and compelling exposé of this vital issue, and urge you to give it a read. ▲



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