

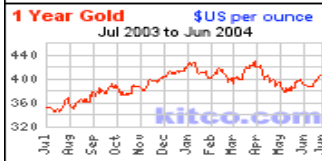
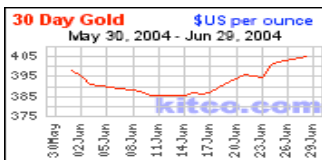
GOLDVIEW

June 2004



CONTENTS:

1. *Editorial comment:*
Market is hesitating but don't we all before climbing a mountain?
2. *New Member Companies sign up*
- List of Member Companies*
3. *Guest writer:*
Kenneth J. Gerbino:
The Fed and the Gold Price
4. *Africa Update:*
news continues



Jun 30, 2004
04:13 NY Time
 ▲ **GOLD**
393.30 +1.20
 ▲ **SILVER**
5.88 +0.03
 ▲ **PLATINUM**
787.00 +12.00
 BROUGHT TO YOU BY
www.kitco.com

MARKET IS HESITATING BUT DON'T WE ALL BEFORE CLIMBING A MOUNTAIN?

The market seems to be caught in the middle of two powers. Looking at where we are coming from, I find it quite remarkable that doubt, frustration and pessimism can be noted in the gold mining and exploration industry. Remember one year ago? If we would have asked then “how would you like to have a \$400 gold price one year from now?”, I am sure everyone, or at least almost everyone, would have wholeheartedly said “YES!”. But if we would ask now “do you think we will see gold above the \$500 level one year from now”, I am not so sure that everyone will again say “YES!”. There is fear in the market. Or at least hesitation.

I do not understand why. If you get away from the narrowing look at just the current behaviour of the gold price in US dollars, and look at the case for gold with a longer term attitude and an open mind towards what is going on in the world, there are some very solid reasons for a considerable shift in the investment patterns, both for individual and for institutional investors. I said it all last month, read it again.

One of the most notorious market watchers is Richard Russell, who has a long record of recognizing fundamental changes in their early stages. In a recent article, he quotes Jeremy Grantham, Chairman of Boston-based Grantham, Mayo, Van Otterloo & Co.: "We face the broadest, overpricing of all assets yet recorded: global equities, global bonds -- and with few exceptions, global real estate. By far the most important single market, US equities, is particularly badly overpriced." He continues "Could Mr. Grantham be right? I believe he is." His advice: "So what's a poor investor to do? You want my honest opinion? Cool it -- just sit tight. I've been saying this for a while and I'll say it again -- sit in cash with the insurance protection of gold and gold shares. Markets are all overpriced, stocks yield nothing, bonds are questionable, and housing in general is off in space-ville." I know this kind of reasoning is not popular and is often disregarded by many investors, but I feel it is wise to think about it.

Also, read what my old friend Ken Gerbino says in his article on page 3 of this issue. I have known him for about 20 years as an unconditional goldbug but one with the ability to take distance and come up with remarkable views. His thesis is intelligent, realistic and actual in my view. Worthwhile reading material!

What is the attitude in Europe these days? In the last few weeks, I travelled intensively to several financial centres in Europe where I visited some of my regular readers and attended several presentations of Canadian companies. They included some of the Member Companies that were meeting existing and prospective shareholders and there was an interesting tour by 12 Canadian diamond exploration companies. An excellent way for European institutions to evaluate these companies and their management. If anyone of you wishes to know about forthcoming events like this, let me know!

Furthermore in this issue an “In Memoriam” for the deceased president of a Member Company and the welcoming of some new Member Companies. Like the real world, life and death, the only sure things that we have. Present eternally. Just like gold!

Henk J. Krasenberg.

The information presented in this report is obtained from sources believed to be reliable but is not guaranteed either as to accuracy or completeness. The European Gold Centre does not render investment advice and the contents of this report is not to be considered, and under no circumstances to be construed as, a recommendation or solicitation to purchase securities of the companies described or mentioned herein.

NEW MEMBER COMPANIES

This month, the following companies registered as a Member Company.
It is a great pleasure to welcome them.

African Gold Group, Inc.

is a brand new company, only public since late March 2004, founded by a group of seasoned mining executives. I was just in time then to include it in the final version of the Special Report on Africa. I am glad I did, especially now since African Gold Group has decided to sign up with The Centre. In the last two weeks, two of its founder-directors toured the European financial centres to introduce the company and its interesting projects in Ghana to institutional investors. Especially the vast experience and mining expertise that the company has in the person of Director Greg Hawkins, who has been residing in Ghana for the last 10 years, is impressive. The company is building its future on a strong portfolio of gold exploration projects, strategically located on two of Ghana's three famous gold belts. In particular, the Mankranho license will be the primary point of focus as a 10,000 metre diamond drilling program has now started. This concession is located at the north-eastern end of the Sefwi Gold Belt and lies along strike and contiguous to Newmont Mining's 7.6 million ounces Ahafo project where production has been scheduled for 2006.

Oremex Resources Inc.

is another example of a relatively new company designed and developed with the purpose to build a successful mining and exploration company in a relatively short period of time. In this case, it is a company acquiring 100% interests in six interesting silver and gold mineral properties in Mexico. The most important at this time are the Tejamen Silver Property and the San Lucas Silver Property, both in the Durango State. Oremex has started with a \$1.3 million Phase I drilling program on the Tejamen property and the most recent drill results indicate success: of the completed 28 reverse circulation drill holes, 22 drill holes show wide and high-grade silver mineralization. The ongoing program is designed to ultimately determine the potential size of the property and to validate the results of programs carried out by Oremex's predecessors between 1992 and 1999 which showed the presence of a large, silver/gold bearing system with high-grade feeder zones and the bulk, open pit mining potential of the property. A special welcome to Director Jim Yates, we go back a long way.

Western Prospector Group Ltd.

has a policy to acquire mineral projects, conduct sufficient exploration to validate drilling targets and fund further exploration through option or joint venture agreements with mining company partners. Just look into the May GOLDVIEW where Boulder Mining was introduced. The interesting Indian River alluvial gold project in the Yukon was optioned from Western Prospector, with Boulder Mining funding \$5 million in exploration and Western Prospector retaining a 30% carried interest. Another example is the Lakemount property in the Ontario Wawa area, which is farmed out to Platinum Group Metals and Western Prospector retaining an initial 49% carried interest. This farming out policy allows Western Prospector to conserve exploration budget for addition acquisitions while at the same time maintaining significant exposure in the optioned out drilling programs. Most recently, Western Prospector has shifted to Mongolia where it has acquired 100% interests in two gold project and has commenced a country-wide exploration program. More acquisitions are targeted, making Western Prospector a significant exploration company in Mongolia. For the insiders, John Brock is the President. Welcome!

MEMBER COMPANIES

per June 2004

Abacus Mining & Exploration Corp. [tsxv-ame](#)
Adanac Gold Corp. [tsxv-aa](#)
Adroit Resources Inc. [tsxv-adt](#)
African Gold Group, Inc. [tsxv-agg](#)
Amera Resources Corporation [tsxv-ams](#)
Anooraq Resources Corp. [tsxv-arq](#), [amex-ano](#)
Avino Silver & Gold Mines Ltd. [tsxv-asm](#)
BachTech Mining Corporation [tsxv-bm](#)
Boulder Mining Corporation [tsxv-bdr](#)
Bralorne-Pioneer Gold Mines Ltd [tsxv-bpn](#)
Canalaska Ventures Limited [tsxv-cvv](#)
Coral Gold Corporation [tsxv-clh](#)
Cross Lake Minerals Ltd. [tsxv-crn](#)
Diamond Fields International Ltd. [tsxv-dfi](#)
Excellon Resources Inc. [tsxv-exn](#)
Expatriate Resources Ltd. [tsxv-exr](#)
Freegold Ventures Limited [tsxv-itf](#)
GLR Resources Inc. [tsxv-grs](#)
Goldrea Resources Corp. [tsxv-gor](#)
Great Basin Gold Ltd. [tsxv-gbg](#), [amex-gbn](#)
IMA Exploration Inc. [tsxv-imr](#)
International Wayside Gold Mines Ltd. [tsxv-iwa](#)
Lumina Copper Corp. [tsxv-lum](#)
MAG Silver Corp. [tsxv-mag](#)
Minefinders Corporation Ltd. [tsxv-mfl](#), [amex-mfn](#)
Molycor Gold Corp. [tsxv-mor](#)
Northern Dynasty Minerals Ltd. [tsxv-ndm](#)
Oremex Resources Inc. [tsxv-orm](#)
Pacific Comox Resources Ltd. [tsxv-pcm](#)
Pacific North West Capital Corp. [tsxv-pfn](#)
Palladon Ventures Ltd. [tsxv-pll](#)
Pan American Silver Corp. [tsxv-paa](#), [nasdaq-paas](#)
Patrician Diamonds Inc. [tsxv-pxc](#)
Redstar Gold Corp. [tsxv-rgc](#)
Rio Fortuna Exploration Corp. [tsxv-rft](#)
Ross River Minerals Inc. [tsxv-rrm](#)
SearchGold Resources Inc. [tsxv-rsg](#)
Southern Rio Resources Ltd. [tsxv-snz](#)
Strata Gold Corporation [tsxv-sgv](#)
Sulliden Exploration Inc. [tsxv-sue](#)
Taseko Mines Ltd. [tsxv-tko](#)
Tiomin Resources Limited [tsxv-tio](#)
Tumi Resources Limited [tsxv-tm](#)
UC Resources Ltd. [tsxv-uc](#)
UGL Enterprises Ltd. [tsxv-ugs](#)
Vista Gold Corp. [tsxv-vgz](#), [amex-vgz](#)
Western Prospector Group Ltd. [tsxv-wnp](#)

SUPPORTING COMPANIES

Amarc Resources Ltd. [tsxv-ahr](#)
Continental Minerals Corp. [tsxv-kmc](#)
Farallon Resources Ltd. [tsxv-fan](#)
Levon Resources Ltd. [tnex-lvn](#)
Mill Bay Ventures Inc. [tsxv-mbv](#)
RJK Explorations Ltd. [tsxv-rjx.a](#)
Rockwell Ventures Inc. [tsxv-rew](#)
Tinka Resources Limited [tsxv-tk](#)

THE FED AND THE GOLD PRICE



by Kenneth J. Gerbino

In the last five months \$213 billion new dollars have been added to the U.S. money supply (M2). Amazingly, no one in the mainstream financial community questions this.

Looking over some past Federal Reserve archives one finds that \$213 billion was all the money in circulation in 1962. Currently it is \$6.2 trillion. All the material items of wealth in this country (buildings, roads, cars, aircraft carriers, toasters, TV sets etc.) were created in the 173 years leading up to 1962 with that \$213 billion circulating. Have we come close to that real wealth creation in the last five months? This is a huge wake up call that something is not right. This excessive money creation, as history attests, will bring along an enduring inflation created by the same people pledged to control it.

The Fed has never been able to stop inflation. Higher interest rates do not stop inflation. This is a false economic theory. There are no statistics to prove higher rates stop inflation. Stopping inflation means if you have a 3% increase in consumer prices, you will have a 3% decrease soon thereafter. That is stopping inflation. If you have a fever at 103, well above the normal 98.6 and you go to your doctor to stop the fever, you expect him to get you back to 98.6. In the world of economics we have accepted prices to go up and if the prices just stay steady at that new price level we are suppose to be happy. That is the same thing as your doctor telling you, no problem you are steady at 103 have a nice day. Inflation builds on itself month after month year after year. It is like the economy has built up a 150 degrees temperature.

Also, in past inflationary periods the Fed has raised interest rates for years and all during those years the CPI continued to go higher and higher. Higher interest rates not only cannot reverse (stop) inflation they cannot hold it in check. Prices are rising from money that has been in the system and has been churning around from years before. Wall Street professionals who do not understand this concept will be vulnerable to the future changes that will occur as inflation distorts our economy and markets once again and for all the same reasons.

The Fed's purpose is two-fold, to create money and be the lender of last resort to the government when those multi-billion dollar deficits show up and to be the protector of the U.S. banking system. No one will argue that if the banks go under we are all in a lot of trouble, so the Fed over the decades has enjoyed a reputation that has led the country and the politicians to believe one can print a lot of money forever with manageable consequences. This is true for small-scale stuff, but when you are talking about trillions of dollars it is obvious to some of us that we are now past the point of no return.

The Fed also controls interest rates. In a country that espouses free market economics, this aspect of their daily activities is hard to comprehend. There is nothing more important in a free market economy than to allow money and the cost of money - interest rates - to be left alone and to allow the daily interaction of millions of people and tens of thousands of institutions and millions of transactions to function without interventions and manipulations. The fact that any institution is intervening in any marketplace to the tune of tens of billions of dollars, sometimes on a daily basis, is something to fear.

These activities by the Fed will be the eventual driving force behind excessive inflation, a depreciating currency and a much higher price of gold. The Fed and other foreign central banks are following policies that are contrary to basic economic truths, classical economic thought and just plain common sense.

My late friend, Nobel laureate (economics), F.A. Hayek told me years ago when I visited him in Germany that decades before he had a discussion with the renowned economist John Maynard Keynes, where Keynes told him that he (Keynes) had made a terrible mistake and was prepared to write an important piece to disavow deficit spending and hence paper money creation. But two weeks later Keynes died. World governments have all embraced Keynes' mixed up theories because it gave them a convenient solution to cover up their economic mismanagement. Because of this, huge debts and huge piles of paper money have been fostered on populations creating what is now an economic tidal wave that is now on the horizon.

As inflation is always the result of excessive expansions of money in a society, we should simply do the math. Huge money increases equal huge producer and consumer price increases eventually. There is no doubt about the money supply increases, so there should be no doubt about a strong and prolonged inflation that has obviously started. This is all bullish for gold.

Kenneth J. Gerbino

Kenneth J. Gerbino & Company - Investment Management - 9595 Wilshire Boulevard, Suite 303 - Beverly Hills, California 90212 - USA
Telephone (310) 550-6304 - Fax (310) 550-0814 - E-Mail: kjgco@att.net - Website: www.kengerbino.com

this article appeared earlier on the website of Kitco, the Bullion Dealers
through the European Gold Centre site www.europeangoldcentre.com you can go straight to the Kitco site via 'LINKS'

IN MEMORIAM



Ronald J. (Jock) McGregor

On May 24, Ronald J. (Jock) McGregor, President and CEO of Vista Gold Corp., passed away suddenly and unexpectedly, while jogging, near his home in Littleton, Colorado. Jock was born on September 19, 1947, in Manila, Philippines. He graduated from the Royal School of Mines in London, England with a B.Sc. (Hon) degree in Extractive Metallurgy.

Jock had extensive mining industry experience in both operations and project development gained over a period of 30 years in Europe, Africa and North and South America. He joined Vista in July 1996 as Vice President, Development and Operations and became President and CEO in September, 2000.

He was an extremely capable president and a great friend who will be deeply missed by the mining industry and his associates and family.

Michael B. Richings, former President and CEO from June 1995 to September 2000, and current member of the Board of Directors, has agreed to assume the role of President and CEO of Vista Gold Corp. while a permanent replacement is sought. The Board will work closely with Mike and Vista's management team to ensure the continued success of the Company and orderly transition to Jock's successor. The plans and strategies that were developed so ably by Jock will be continued and expanded.

In the March issue of GOLDVIEW, I had the pleasure to introduce Vista Gold Corp. as a new Member Company. I was glad and proud to be able to include this rapidly progressing gold company in the information programs of The Centre. Not in the least because Jock McGregor, its President and CEO, whom I met about one year ago, had impressed me as a dedicated man with his own clear vision of how to build a solid gold mining company. Also as a very amiable man in our personal contacts. It was a shock to learn he is no longer with us. Jock, it was an honour to know you and be sure, I will not forget you!

AFRICA UPDATE

Since the release of my Special Report "Canadian Mining and Exploration Companies in Africa" last month, the news that has come out on the progress of the many projects in Africa can hardly be tracked. May be because of the special eye that I have now developed, may be just because so many things are happening.

Of course the reports on the hostile encounters in the Democratic Republic Congo show us the reality of conducting business in Africa in general. As I use to say: 'you have to realize that tomorrow can be different'. However, how terrible any uproar is, also in a country with a government that has been performing so well over the last two years, it is uncommon that the rulers of the DRC and Rwanda have decided to talk about the problems and try to find a solution.

From other countries positive news was reported, also by the Member Companies that have activities in Africa.

Anooraq Resources Corp. (TSXV-ARQ) engaged in the advancement of major platinum group metals projects in the Bushveld Complex, the world's premier PGM environment, received a key approval from the South African Reserve Bank for a reverse takeover by Pelawan Investments (Pty) Ltd. On completion of this transaction, the Company will acquire 50% of a substantial advanced stage PGM project on the Eastern Limb, and will be transformed into a Black Economic Empowerment company, a status that is required for development of new mines in South Africa. The combination of substantial North American and South African mining expertise, PGM assets, and direct access to North American and European financial markets, positions Anooraq to become a leading PGM growth company.

Moreover, more results were reported from the current drill program. The program has been very successful, with a significant number of holes encountering mineralized intervals of equal or higher grade than the previously outlined resource. Significantly, the PGM mineralization has now been traced for a total strike length of 6.0 kilometres on the Drenthe, Overysel and Witrivier farms, considerably expanding the deposit, both in size and grade.

Diamond Fields International Ltd. (TSX: DFI) has resumed its diamond mining on its marine mining license near Luderitz, Namibia, now from the mv Kovambo under the terms of the joint venture agreement with Samicor Mining Services (Pty) Ltd.. Samicor is owned by LL Mining Corporation, the mining arm of the Leviev Group of Companies, one of the world's major diamond companies.

The mv Kovambo is a 104 metre, 3,300 ton vessel equipped with an integrated mining and processing system developed at a cost of approximately US\$30 million, including the upgraded Seabed Crawler mining tool, launch, recovery and heave compensation equipment, a 50 ton per hour dense media processing plant, and a high security final recovery X-ray sorting plant. The Seabed Crawler is a 160 ton remotely controlled tracked mining vehicle with very high production capacity. First results are expected to be reported in the first week of July.

SearchGold Resources Inc. (TSXV-RSG) reported that Natural Diamond Corp of Antwerp, the company's consultant and marketing agent released the results of the evaluation of a diamond parcel delivered in April. After deep boiling, the parcel weight, which contains more than 9,000 diamonds, was established at 2,029.71 carats of gem and near gem quality diamonds. The average price of that parcel was established at 53.00 \$US per carat which is consistent with previous announcements for recovered diamonds of the Mandala III deposit. A sub-lot consisting of 433 carats of gem quality diamonds including 92 diamonds weighing over 1.0 carat, averaged a very significant price of 196.20 \$US per carat. In the gem category, 34% by weight of the recovered diamonds, weighed 1.0 carat and over. Newly appointed geological consultant Mr. Peter Walker's first assignment will be to review and to compile with the assistance of Mr. Bary, the Mandala Project Geologist, all existing data of the Mandala bulk sampling program in progress and to provide technical observations and recommendations for the continuity of the program. Also, he will be responsible to propose and supervise a suitable exploration program of the adjacent Ouria Permit in order to increase the diamond resources of the project.

New Member Company **African Gold Group, Inc. (TSXV-AGG)** just completed a tour along the financial capitals of Europe to introduce the company to selective groups of financial institutions and institutional investors. Director Greg Hawkins has safely returned to Ghana now to review the ongoing drill program at the Mankranho Concession, adjacent to Newmont's Ahafo Project (read more on page 2). Director Mike Nikiforuk will report the drill results as they become available.

* * * * *

*You can still request the link to the Special Report
"CANADIAN MINING AND EXPLORATION COMPANIES IN AFRICA"
by clicking on the announcement on the website or by sending us an e-mail message.
The report contains a full 35-page overview of all Canadian companies with mining
and exploration projects in Africa with special attention for the Member Companies.
The report is also available on an 8cm CD-R. Ask for it!*

* * * * *

SPECIAL REPORT COMING: 'CANADIAN MINING AND EXPLORATION COMPANIES IN MEXICO'

European Gold Centre

e-mail: info@europeangoldcentre.com

website: www.europeangoldcentre.com