

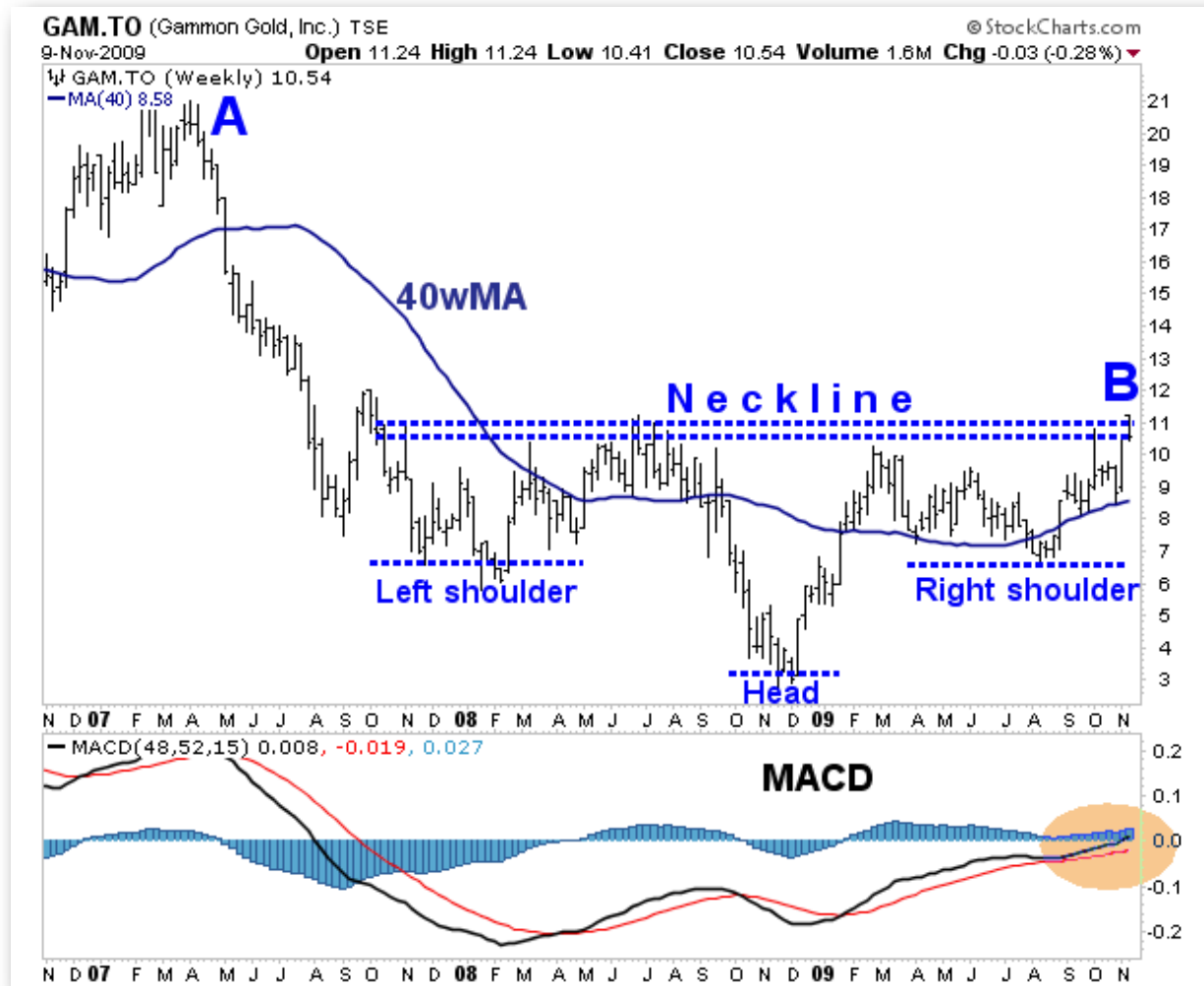


Gammon Gold (GAM: \$10.54)

November 9, 2009

Target: \$17.00

Reversal Level: \$8.90



Gammon Gold is breaking out from a large "head-and-shoulder" formation.

From a high of \$21.27 (A), Gammon Gold declined to \$6.10 (left shoulder), sold-off further to \$2.99 (head), rallied to \$10.00 (see dotted line - neckline) and stayed in a horizontal trading range (right shoulder). The recent rise to \$10.57 (B) suggests that Gammon Gold is in the midst of a breakout from a bullish "head-and-shoulder" formation.

Technical indicators including the rising 40-week (200-day) moving average and the MACD (see lower panel) confirm its bullish status. Only a decline below \$8.90 would cancel the potential breakout.

Technical measurements provide targets of \$14.00 and \$17.00 (32% and 61% appreciation potential from current levels). The large area of accumulation supports higher targets.