



## Great Basin Gold (GBG: \$1.74)

December 17, 2009

**Target: \$2.70**

Reversal Level: \$1.62



### Great Basin Gold is on the verge of a major breakout.

From the high of about \$3.70 in early 2008 (A), Great Basin Gold had a sharp decline to \$0.97 (B), followed by a rally to the falling 40-week moving average (C), and then a pullback toward \$1.30-1.40 (D). In 2009, the 40wMA started to flatten and, most recently, the price started to move above above the 40wMA (E). This bullish price action suggests a bullish technical pattern known as a "W" formation (see dashed lines). A decisive move above \$1.80-2.00 would confirm the start of a new major up-leg.

Technical indicators including the 40-week (200-day) moving average, the VSI and the MACD (see lower panel) confirm the bullish status. Only a decline below the 40wMA (currently at ±\$1.62) would reverse the positive status.

**Technical measurements provide initial targets of \$2.20 and \$2.70 (26% and 55% appreciation potentials from current levels). Higher targets are also visible.**