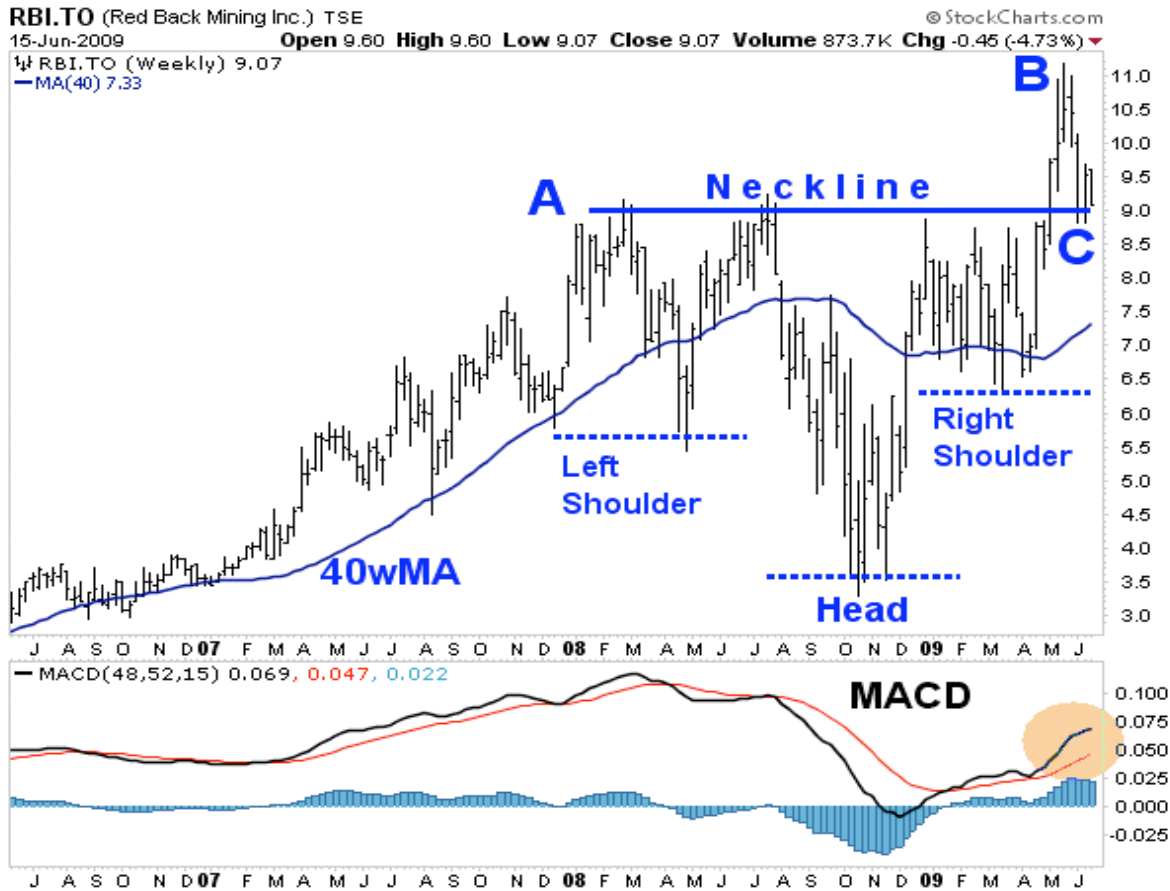


Red Back Mining (RBI: \$9.07)

June 15, 2009

Target: \$14.00

Reversal Level: \$7.50



Red Back Mining had a breakout from a large *inverse-head-and-shoulder* pattern.

Red Back Mining had a sharp rise from about \$1.50 in July 2005 (not shown) to about \$9 (A). Subsequently the stock developed an *inverse-head-and-shoulder* pattern (see dotted lines) while it remained below ±\$9 (see dashed line – neckline). In May of this year, the stock pierced above resistance to signal the breakout from this bullish formation (B). Red Back Mining has since pulled back toward the original breakout level (C-resistance becomes support) to provide an excellent buying opportunity.

Technical indicators including the 40-week (200-day) moving average, VSI and the MACD (see lower panel) confirm the bullish status. Only a decline below the 200-day moving average (currently at \$7.30) would reverse the positive status of this stock.

Chart measurements provide targets of \$12 and \$14 (32% and 54% appreciation potentials from current levels). Higher targets are also visible.

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