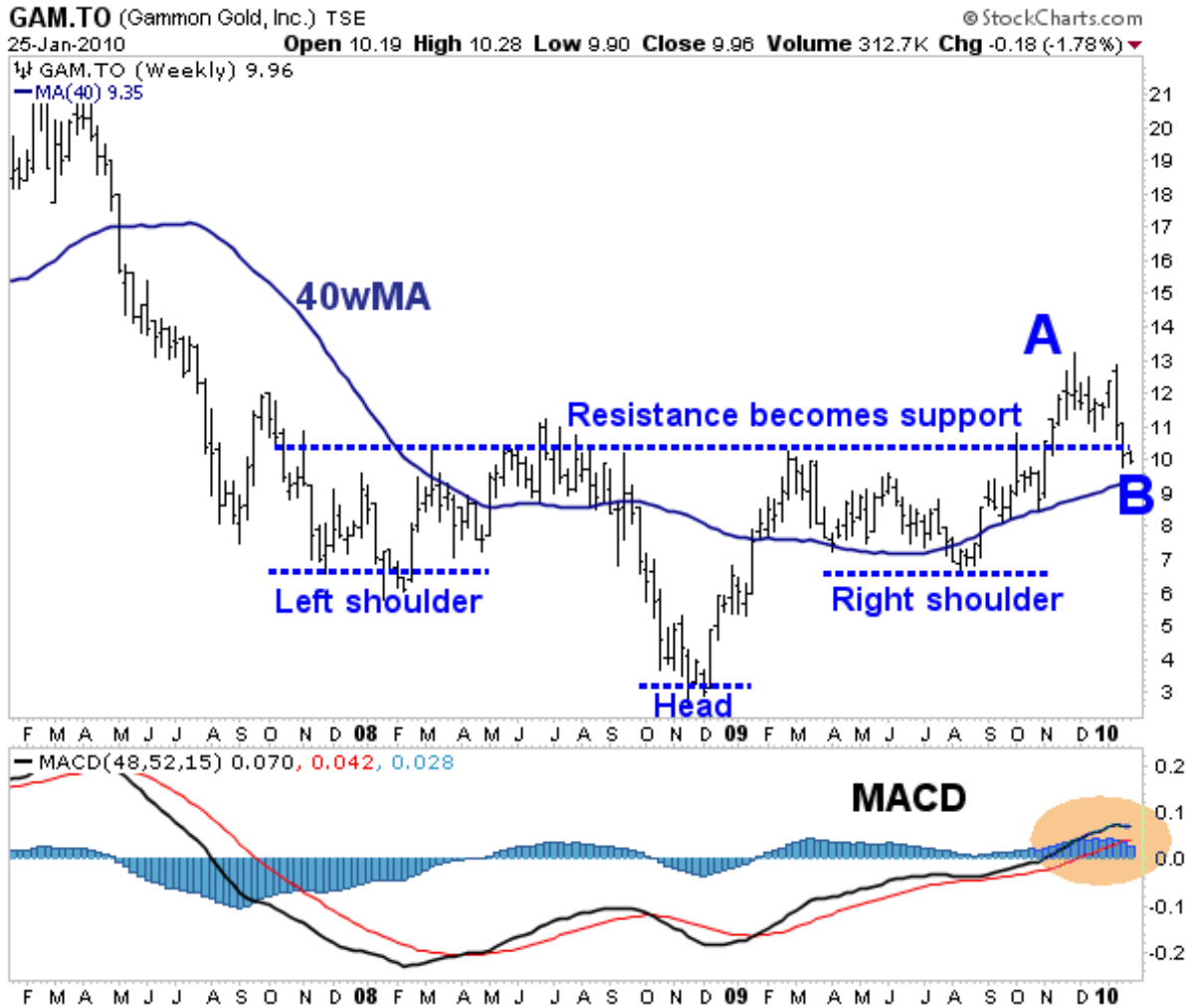


Gammon Gold (GAM: \$9.96)

January 25, 2010

Target: \$17.00

Reversal Level: \$9.35



Gammon Gold had a major breakout.

Following our November 9, 2009 (\$10.54) report, Gammon Gold broke out from an **extremely** bullish technical pattern known as an *Inverse head-and-shoulder* (see dashed lines) and reached an intra-day high of \$13.19 (A). Gammon Gold has since pulled back toward the original breakout level (B - resistance becomes support) to provide an excellent buying opportunity.

Technical indicators including the 40-week (200-day) moving average, the VSI and the MACD (see lower panel) confirm its bullish status. Only a decline below the 40wMA (currently at ±\$9.35) would reverse its positive status.

Technical measurements provide initial targets of \$13.00 and \$17.00 (30% and 70% appreciation potential from current levels). Higher targets are also visible.