

METALS: TECHNICAL ALL STARS

January 18, 2007

Since the completion of the spectacular rally in May 2006, the Gold sector has been consolidating within a well-defined trading range as measured by the HUI index (please view chart below). An accumulation pattern like this usually develops in the middle of a major bull market and implies the technical strength of the underlying security or a sector. A breakout from this formation would indicate the start of the next major up-leg and significantly higher targets.



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During this important pause, numerous individual stocks have developed their own consolidation patterns. We selected seven Metal stocks which have formed bullish formations with a significant upside potential for the next up-leg of this bull market. Among them:

BARRICK GOLD (ABX)



Canadian Royalties (CZZ)



ELDORADO GOLD (ELD)



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IAMGOLD (IMG)



MINEFINDERS (MFL)

MFL.TO (Minefinders Corp. Ltd.) TSE

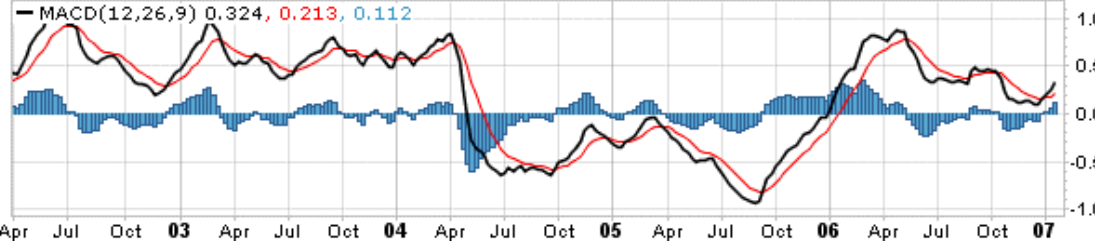
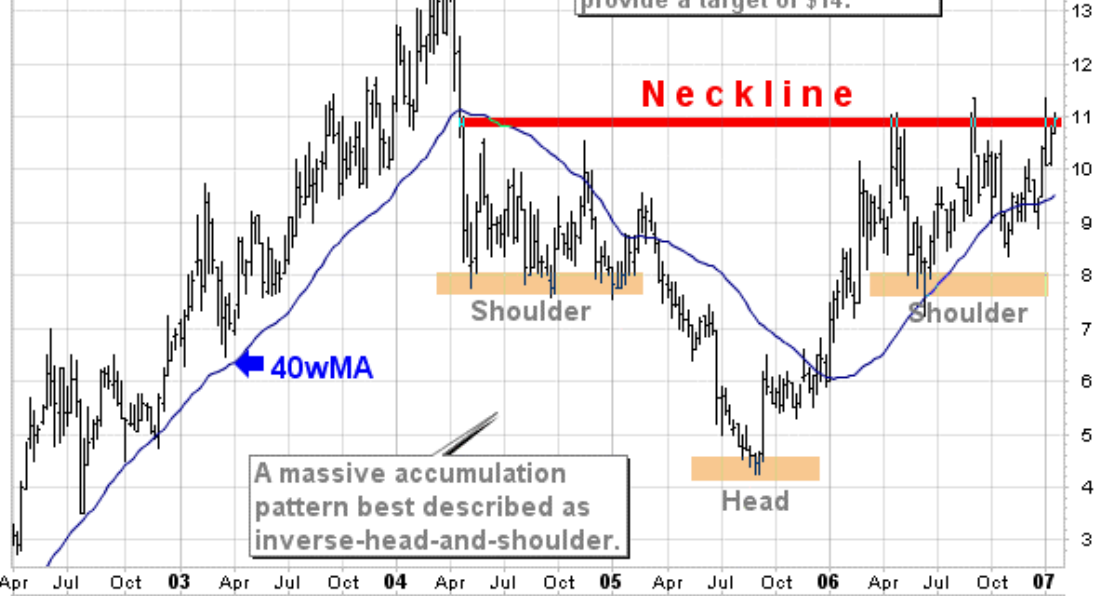
16-Jan-2007 4:00pm Open 10.70 High 11.08 Low 10.70 Last 10.96 Volume 200.4K Chg +0.30 (+2.81%) ▲

1/4 MFL.TO (Weekly) 10.96

MA(40) 9.52

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Point & Figure measurements
provide a target of \$14.



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PACIFIC RIM MINING (PMU)



Rio Narcea Gold (RNG)

