

**Continue To Buy Eastmain Resources (ER-1: C\$0.78)**

January 25, 2007



**Eastmain Resources is on the verge of a breakout from a three-year base.**

Eastmain Resources had a powerful rise to \$1.15 in December 2003 (A-B). Then the stock had a sharp pullback toward the \$0.45 level (C). Subsequently, it started to build a base within a horizontal trading range mostly between \$0.45 and \$0.80 (see chart). Although the stock is currently at the top of this range (D), it is beginning to demonstrate numerous positive technical signals, which suggest that the stock is on the verge of a breakout.

- ✓ The stock is trading above its rising 40-week moving average;
- ✓ The VSI shows positive momentum;
- ✓ The MACD is on the rise (see lower panel).

Only a decline below \$0.72 would reverse the bullish potential of this stock.

**Chart measurements provide targets of \$1.00 and \$1.20 (28% and 53% appreciation potentials from current levels). Higher targets are also visible.**

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