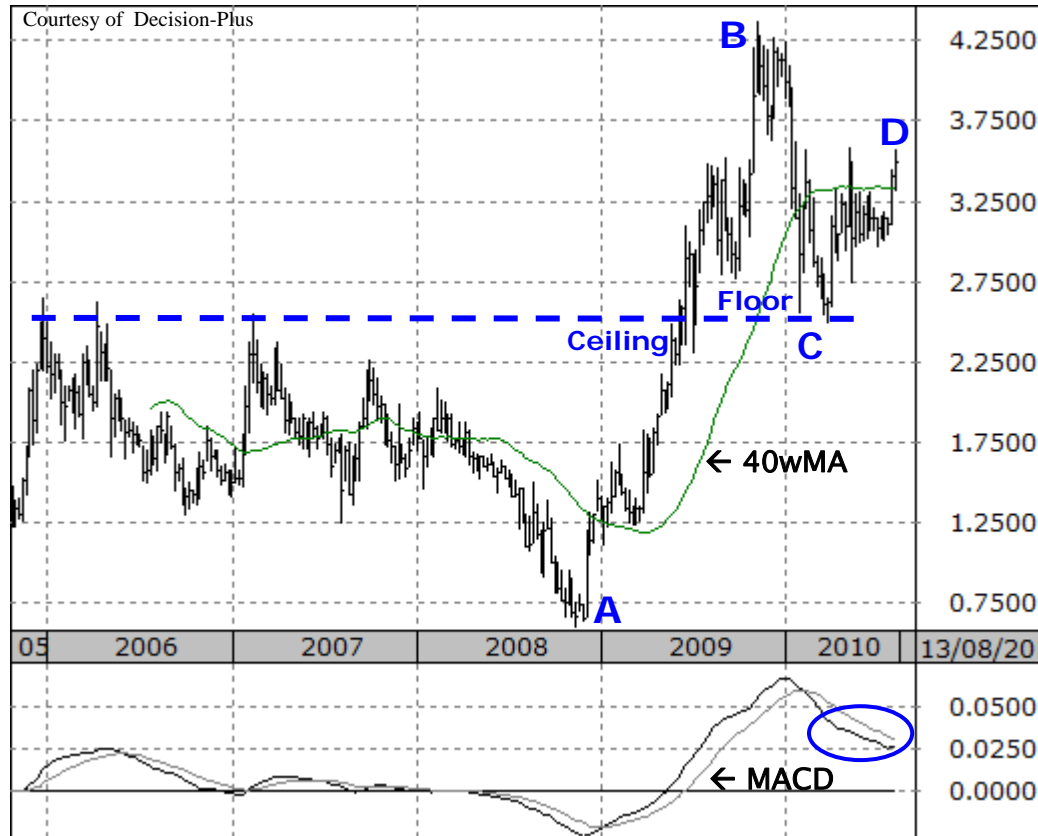


PHASES & CYCLES®

LAKE SHORE GOLD HAS HIGHER TARGETS

Sector: Materials – Diversified Metals & Mining
(LSG: \$3.49; Weekly Chart from April 2005)



Lake Shore Gold is on the verge of a new major up-leg.

Lake Shore Gold traded below \$2.50 for more than five years (dashed line). It had an extremely sharp rise from \$0.60 in November 2008 (A) to \$4.37 in November 2009 (B), pulled back to and found support at \$2.50 (C – ceiling becomes floor) and now appears ready to resume the up-trend (D).

Technical indicators including the 40-week moving average, the VSI and the MACD (see lower panel) confirm the bullish status. Only a decline below \pm \$3.00 would suggest additional base building above \$2.50 was required before the resumption of the up-trend.

Measurements provide initial targets of \$4.25 and \$4.75 (22% and 36% appreciation potentials from current levels). The large area of accumulation from 2006-2008 supports higher targets.

**Monica Rizk
Ron Meisels**

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Phases & Cycles Inc, 2020 University, Suite 1903, Montreal, QC H3A 2A5

Tel.: (514) 393-3653 E-mail: RonMeisels@phases-cycles.com www.phases-cycles.com

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