

Resources and Forces In The Development Of Rare Earths

By Jeb Handwerker

Today Gold Stock Trades received a significant letter from Governor Sean Parnell of Alaska, in which he wrote to Energy Secretary Steven Chu that, “The federal government simply cannot afford to sit on the sidelines as other countries move aggressively to develop new mines...” Read the actual letter by [clicking here](#).

The Governor proposes an immediate initiative combining federal and state government in the speedy development of Alaska’s vital rare earth resources. The most advanced project in Alaska is Ucore’s Bokan Deposit. It is unusually rich in the all important heavy rare earths so vital to high tech industries.

Washington is beginning to wake up about the rare earth crisis. It is apparent that the West will not be relying on trade sanctions alone to counter China’s export cuts of critical rare earths. In 2012, the President has set aside funds to create a rare earth research hub. It is being modeled after the famous “Manhattan Project” where top scientists will be brought together to develop a rare earth supply

chain. This will consist of targeting the top domestic development projects and creating a separation facility to manufacture the ore into a final product. [In an article I wrote on 4-8-11](#) I mentioned that “Colorado Congressman Mike Coffman introduced the Rare Earth Supply-Chain Technology and Resource Transformation (RESTART) Act of 2011, which will give loans to the industry and speed up permitting.”

These initiatives from Washington have been long overdue. The U.S. needs to recapture this industry co-opted long ago by China. Fortunately important forces in the U.S. are beginning to take action to regain the high ground.

The Bin Laden Mission was a prime example of unintentionally revealing to the world one of the many uses of rare earths in top secret technologies. For the first time, the public became aware of the existence of a stealth helicopter. Stealth technology depends on rare earth oxides. The rare earths absorb the oppositions laser wavelengths to avoid detection. We are witnessing only one of many hitherto unknown applications. Imagine the plethora of rare earth developments that await mankind.

One can now begin to comprehend the significance of Congressman Mike Coffman’s urgency in stressing the importance of fast tracking the production of rare earths for our national security. No better example of this can be the presence in our own country of an indigenous mother-load of a rich heavy rare earth asset.

Ucore is embarking on an aggressive 2011 exploration program to fast track this mine as quickly as possible. They are increasing their drilling by three times so they can get this to feasibility in under two years. Ucore is still being overlooked. I consider this deposit an undiscovered gem. Over the next 24 months Ucore can possibly make leaps, but I am waiting for a confirmed break of this current downtrend and for Ucore to regain its 200 day moving average.



Stay tuned to your email inbox for important developments.

Current Recommendations

- 1) Buy U.S. Gold (UXG) Recommended at 4.95,
Buy Under \$8.25
Target \$12 Stop Loss \$6.00(8/1/10)
- 2) Buy General Moly (GMO) Recommended at \$3.50,
Buy Under \$5 Target \$9.00 Stop \$4.00 (9/27/10)
- 3) Buy UR Energy (URG) Recommended at \$0.98,
Under \$1.50 Target \$3
Stop Loss \$.98 (10/8/10)
- 4) Hold International Tower Hill Mines (THM) Recommended at \$6.90 Under
\$9.25 Target \$12 (10/20/10)
- 5) Buy Lynas (LYSCF) Recommended at \$1.65,
Under \$2.25 Target \$3
Stop Loss \$1.40 (12-22-10)
- 6) Buy Gold ETF (GLD) Under \$130 Target \$160
Stop Loss \$122 (1-21-11)
- 7) Buy Gold Mining ETF (GDX) Under \$52.75
Target \$67 Stop Loss \$48 (1-25-11)
- 8) Buy Avalon Rare Metals (AVL)
Under \$7 Target \$13
Stop Loss \$5 (2-3-11)
- 9) Hold Western Lithium (TSX:WLC; OTCQX:WLCDF) Under \$1.60
Target \$4 (2-14-11)
- 10) Hold Ucore (TSX.V:UCU; OTCQX:UURAF) Under \$1
Target \$5 (2-15-11)
- 11) Buy Denison (DNN) Under \$2.75
Target \$6
Stop Loss \$2 (3-16-11)
- 12) Buy Uranerz (URZ) Under \$3.50
Target \$7
Stop Loss \$2.50 (3-16-11)
- 13) Hold Tasman Metals (TASXF or TSM.V) Under \$6.25
Target \$12 (4-29-11)
- 14) Buy Silver (SLV) Under \$35
Target \$60
Mental Stop Loss \$27 (5-18-11)

Important Notice:

Stops should be mental to prevent shakeouts and for me to evaluate on a weekly basis if it should be executed as a sell, hold or secondary buypoint.

For questions, feedback or comments, please contact me at jeb@goldstocktrades.com

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Charts are courtesy of stockcharts.com

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Realized Positions Since 8-1-10

SPY Short -2%

NGD +15%

FRG +16%

SLV +15%

GLD +13%

SLV +20%

NGD +30%

GMO +20%

URG +40%

UXG +16%

THM +20%

FRG +42%

GMO +57%

URG +70%

URG +200%

LYSCF +28%

FRG +123%