

Shootout At The Rare Earth Corral: David Vs. Goliath By Jeb Handwerger

Years ago when Steve Jobs came up with the idea of personal computers for the masses he encountered opposition and discouragement to his vision. Similarly, Gold Stock Trades has identified new concepts in the rare earths at a nascent state of development that will revolutionize the modern industrial world.

China recognized the potential and importance of the rare earth sector as an emerging concept. This was in the 1980's! The Chinese were aware even then that there will be a growing need for rare



earths in devices that would change the face of modern industry.

Decades ago both Steve Jobs and the Chinese were able to

foresee taking the computers of a large room and miniaturizing them for everyday utilization within the palm of your hands. Visions do become reality, but it takes patience and fortitude despite occasional setbacks.

Would the Arab Spring have occurred if it were not for kids with smart phones communicating with each other? These smart devices envisioned by the early pioneers such as Jobs would only have existed in the fertile brains of a handful of scientists in the absence of rare earths. What once were huge block long computers in the hands of a few corporations, now are carried in the pockets and purses of the average individual.



Even today the role played by rare earths in these iPhones and Ipads is only beginning to be understood by society. Sophisticated readers of Gold Stock Trades are well aware of the myriad uses of rare earths without which new concepts from solar panels to wind

turbines to portable nuclear reactors to hybrid autos, could not enter current scientific concepts.

Humanity is only now entering a new era, the threshold of ideas that will change daily life as we know it. This is why investors should take today’s headline in the Wall Street Journal with a grain of dysprosium. The headline reads, “Rare Earth High Fliers Find Lower Orbit: Now Prices Are Under Pressure”. The reporter is caught up in the daily need to sell newspapers and fails to have even the faintest concept of the very complexity of the rare earth universe.

Not all rare earths are created equal. Each element both heavy and light possess idiosyncratic qualities, which have specific uses in today’s world and the universe of the future.

There is an exciting scene in the beginning of the film “2001” where a group of early humans sitting around a camp fire learn how to use their prehensile thumbs for self defense. In celebration, they throw a bone in the air which morphs into an orbital satellite in a future millennium. As Columbus could not foresee that his trip from Spain could one day be accomplished in minutes instead of weeks, so

man can only begin to dream the limitless potentiality of the human mind.

Steve Jobs was prescient, while his youthful contemporaries in



Berkeley were

demanding

revolution, he saw the

hand held computer

as the new

emancipator.

We can safely conjecture that Jobs could also have seen the Whole Earth catalogue featuring “The Star Child” from The Space Odyssey on its cover. Jobs quoted the publication at the conclusion of his address at the Stanford Graduation in 1995 where he said, “Stay Hungry...Stay Foolish.”

Stay hungry doesn’t mean to go to a restaurant. Stay hungry means to develop the mind to its fullest potential. Stay foolish means possessing the inquisitiveness of the star child in exploring the limitless possibilities of the human adventure. There is a continuum between the mind of Steve Jobs and the unlimited potential of the

rare earths to move man into a future that only a few of us can even begin to perceive. The Classical Greeks had a saying, “Onward and Upward To The Stars.”

What is the significance of all of this Vonnegut time tripping to GST’s faith in the future possibilities of rare earths? It is difficult to not get caught up with the daily fluctuations of the marketplace. Again it is the exciting developments that are yet to take place in the fascinating new world of rare earths.

This is why we continue to explore the development of rare earths and resist being seduced by the daily marketplace which tends to confuse, misdirect and obfuscate. We are looking for geometric profits in rewards for our patience. Jobs refused to be swayed by temporary roadblocks in his overall ability for astronomic profits.

This brings us to today. Some of our rare earth stocks in our select list such as Ucore, Tasman, Avalon and Quest are at a similar stage of development as Kubrick’s concept of “The Star Child” three decades ago. Quibblers and naysayers hungry for their 15 minutes of fame will nitpick details for the consumption of the daily newspapers

which will in a week be used to wrap fish. To them we say good luck, but you are missing one of the most exciting concepts of our time.

A few days ago, Ucore impressed the rare earth sector with a highly favorable metallurgical report. Indeed, Ucore was informed by Hazen Labs that they could separate 85-90% of the rare earths from the ore. Immediately, other players in the sector issued competitive announcements. However, Ucore maintains sole possession of the most advanced heavy rare earth deposit on United States land. They have already identified a 43-101 resource on American territory and not left it to vague hyperbole. Ucore is rapidly advancing with its Preliminary Economic Assessment. The other day Ucore was mentioned on CNBC as being an attractive takeover candidate for Molycorp, Lynas or Great Western. GST has been singing this particular song for a long time.

Understandably, competition is the lifeblood of industry. There will always be purported mining experts with questionable degrees which qualifies them as instant experts as they defame rising rare earth equities. It is by such tactics that they place their names before the public and attain recognition. Suffice it to say, GST insists on

maintaining the high ground and avoiding ad hominem attacks as is sometimes the practice of ambitious analysts.

More importantly are the findings of the internationally reputed Hazen Labs, which issued a highly favorable metallurgical report to Ucore’s Bokan Mountain Deposit. So transparent is the business model of Ucore that they have invited Gold Stock Trades to Hazen’s research campus in Golden, CO to examine these findings. Gold Stock Trades has accepted the invitation to visit the world renowned Hazen campus. It must be noted that Hazen Labs is one of the world class, professional authorities on rare earth metallurgy. Be assured we will inform our subscribers of our observations and what we have learned. Stay tuned.

Current Recommendations (Date Of Recommendation In
Parentheses)

- 1) Buy U.S. Gold (UXG) Under \$7.50 Target \$12 (8/1/10)
- 2) Buy General Moly (GMO) Under \$5 Target \$9.00 (9/27/10)
- 3) Buy UR Energy (URG) Under \$1.75 Target \$3 (10/8/10)
- 4) Buy International Tower Hill Mines (THM) Under \$8.50 Target \$12 (10/20/10)
- 5) Buy Lynas (LYSDY) Under \$2.50 Target \$3 (12-22-10)
- 6) Buy Gold ETF (GLD) Under \$162 Target \$200 (9-27-11)
- 7) Buy Gold Mining ETF On Pullbacks Under \$60 (GDX) Target (\$67)\$74 (1-25-11)
- 8) Buy Avalon Rare Metals Under \$7.50 (AVL) Target \$13 (2-3-11)
- 9) Buy Western Lithium Under \$.90 (TSX:WLC; OTCQX:WLCDF) Target \$4 (2-14-11)
- 10) Buy Ucore (TSX.V:UCU; OTCQX:UURAF) Under \$.85 Target \$5 (2-15-11)
- 11) Buy Denison (DNN) Under \$2.50 Target \$6 (3-16-11)
- 12) Buy Uranerz (URZ) Under \$3.50 Target \$7 (3-16-11)
- 13) Buy Tasman Metals (TASXF or TSM.V) Under \$5.25 Target \$12 (4-29-11)
- 14) Buy Silver (SLV) Under \$40 Target \$60 (5-18-11)
- 15) Hold Quest Rare Minerals (QRM or QRM.V) Target \$14 (5-27-11)
- 16) Buy New Gold (NGD) Under \$12 Target \$18 (7-13-11)
- 17) Buy Alexco Resource (AXU) Under \$10 Target \$15 (9-20-11)

Notice:

There will be times when we will be unable to go to press. This is not to be interpreted that we have taken a day off. The GST Eagle maintains a constant vigil from his aerie. This means we are working diligently researching and writing.

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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%

GLD +24%