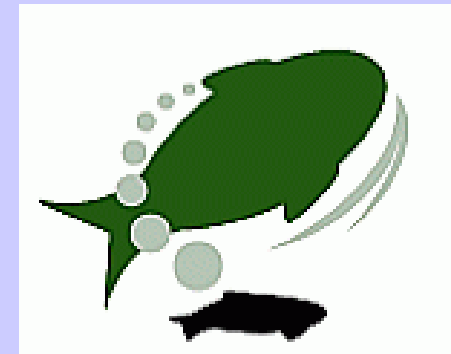


2011 Cambridge Conference

Calgary, Canada

April 9, 2011

Presented by John Kaiser



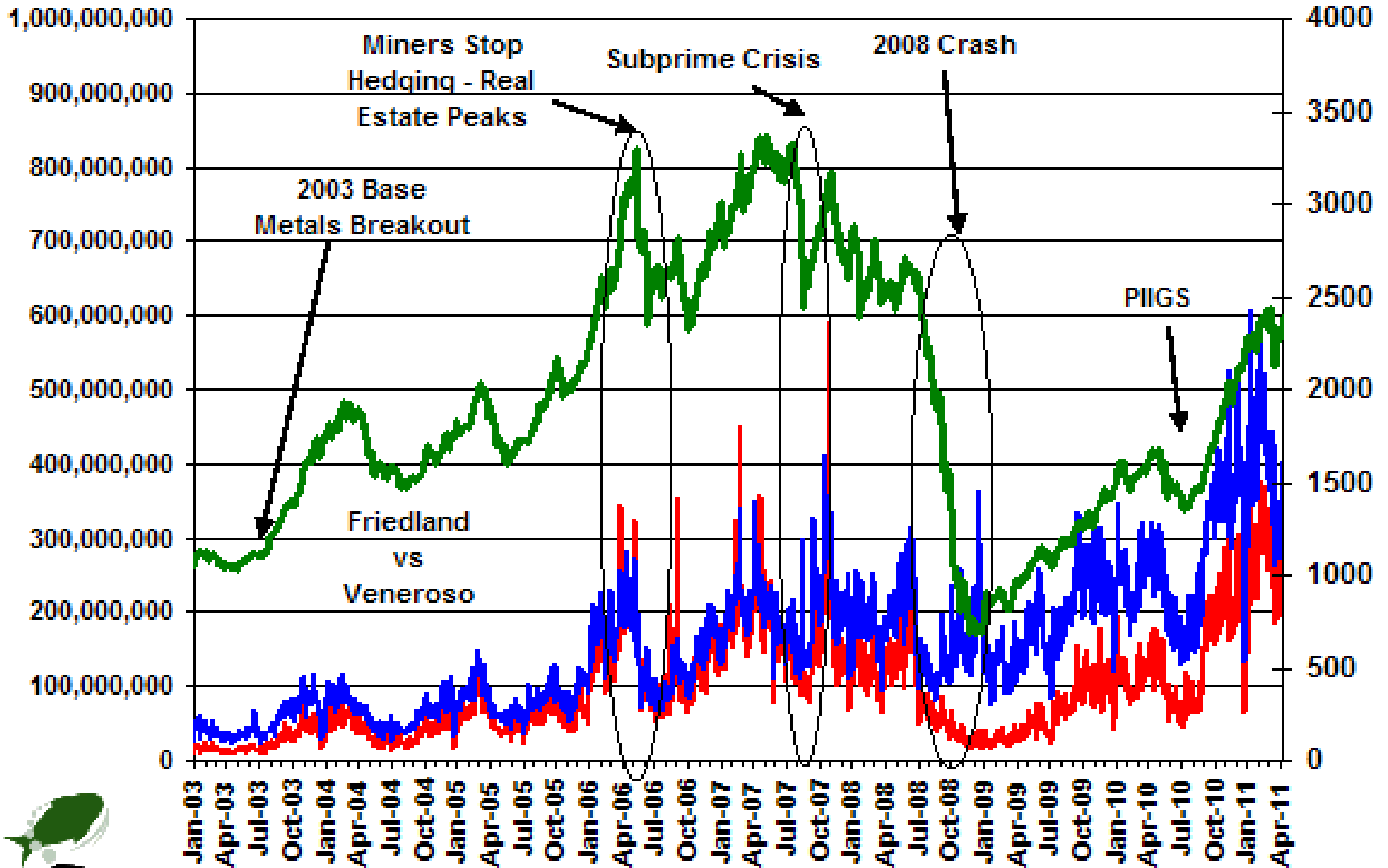
Are we looking at deja vu 2008?

www.KaiserResearch.com

Daily TSXV Volume & Value Traded

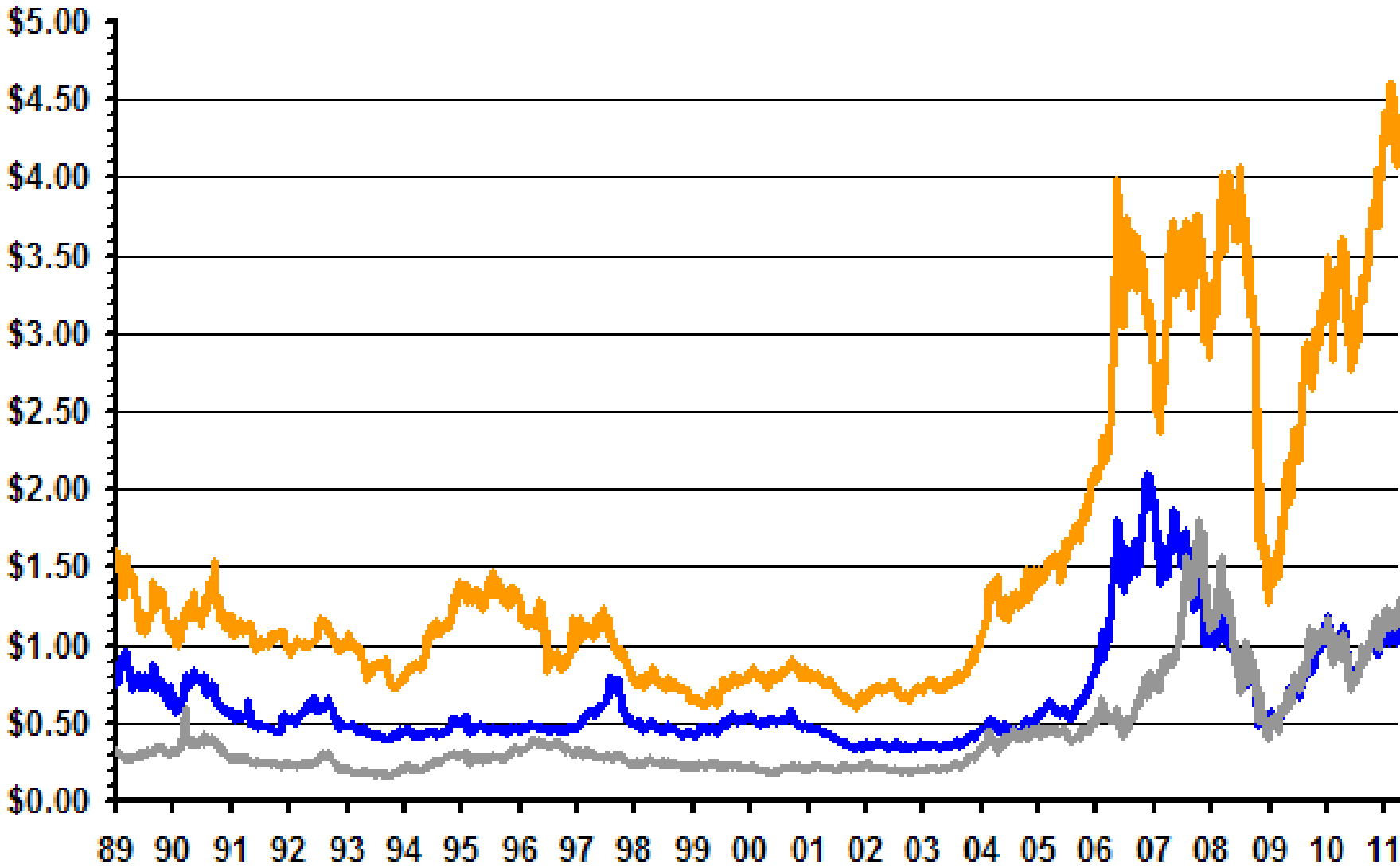
April 8, 2011

Value Volume TSXV Index



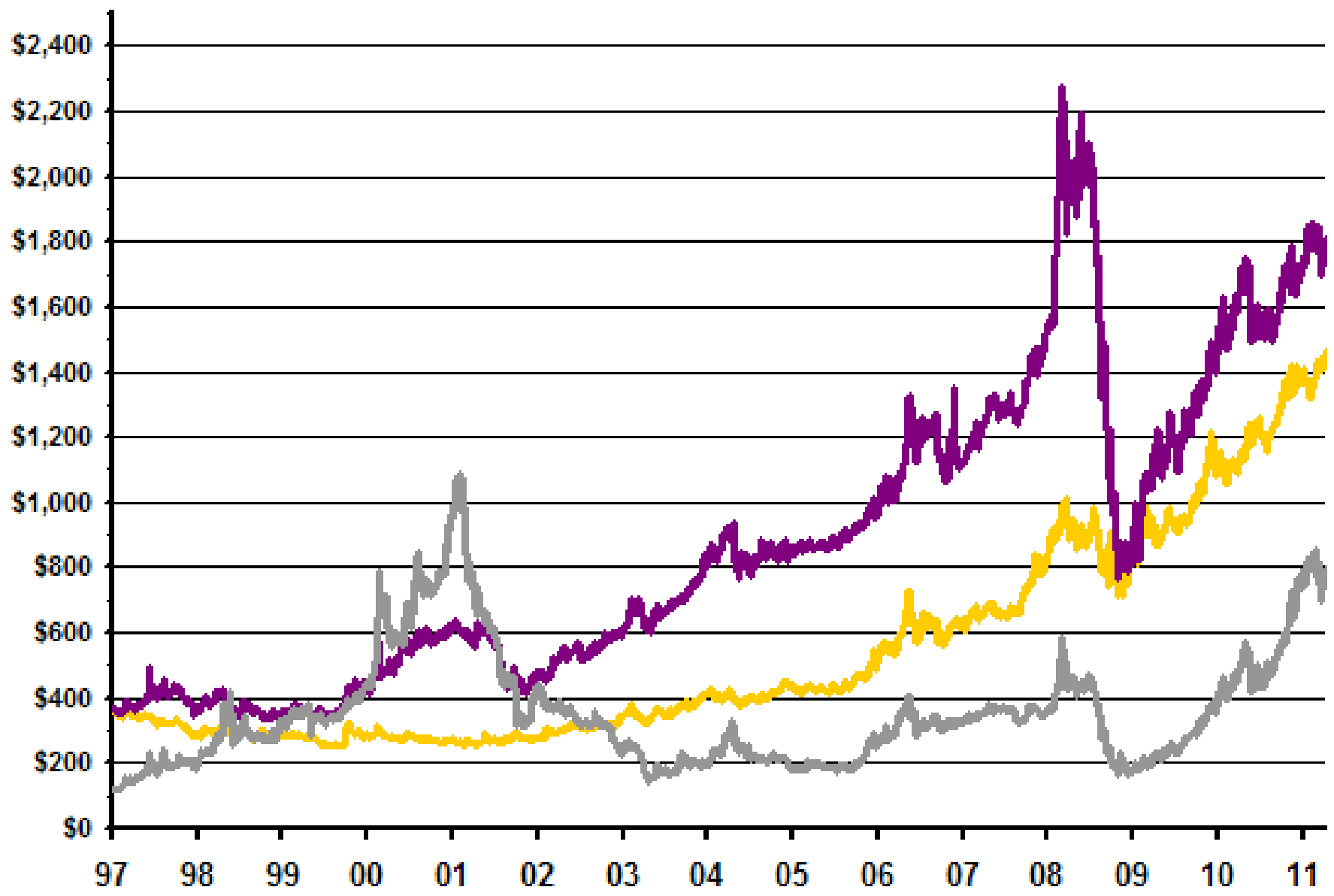
— Copper — Zinc — Lead

LME \$/lb



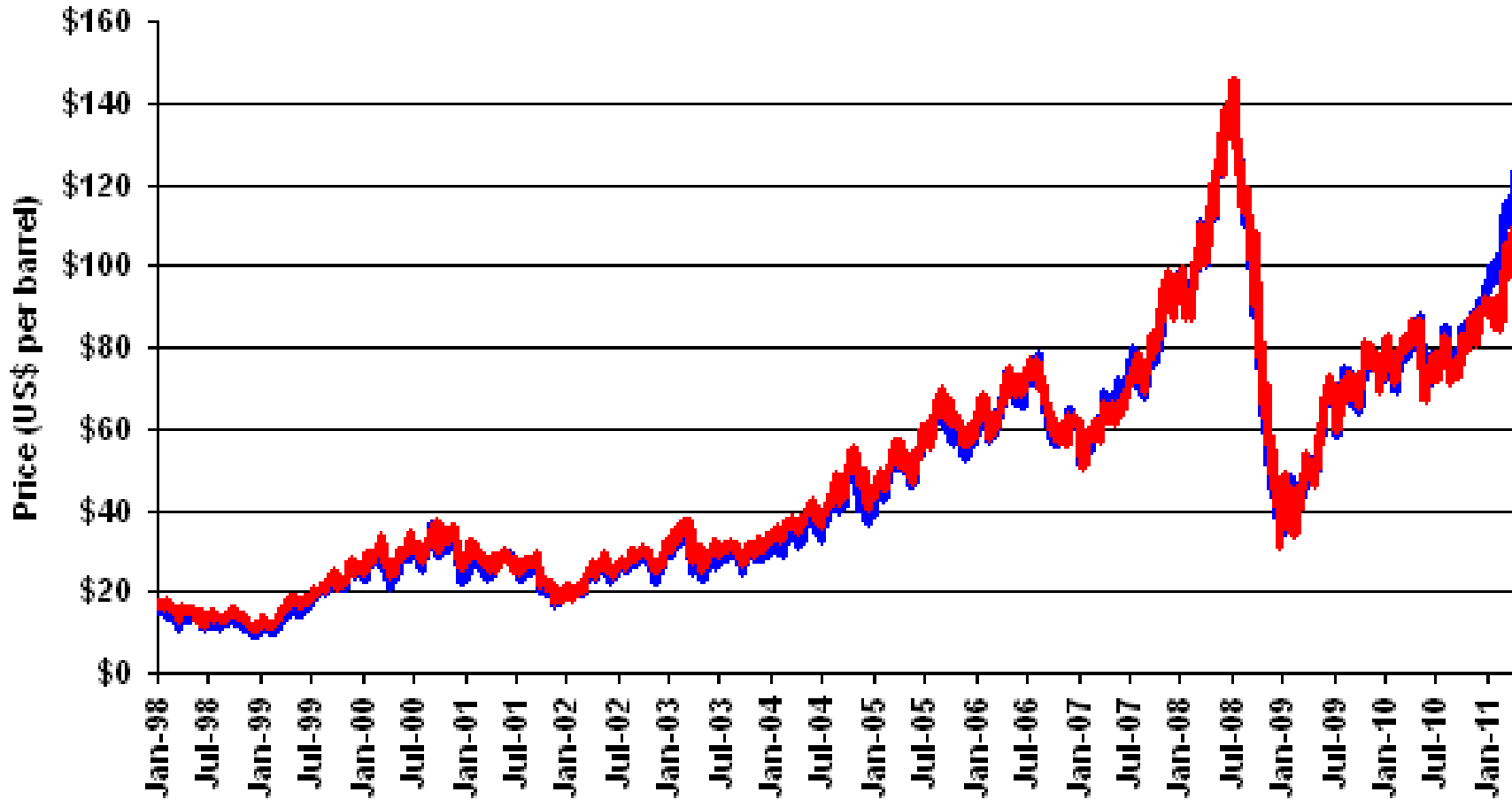
— Gold — Platinum — Palladium

London Fix \$/oz



Brent vs WTI

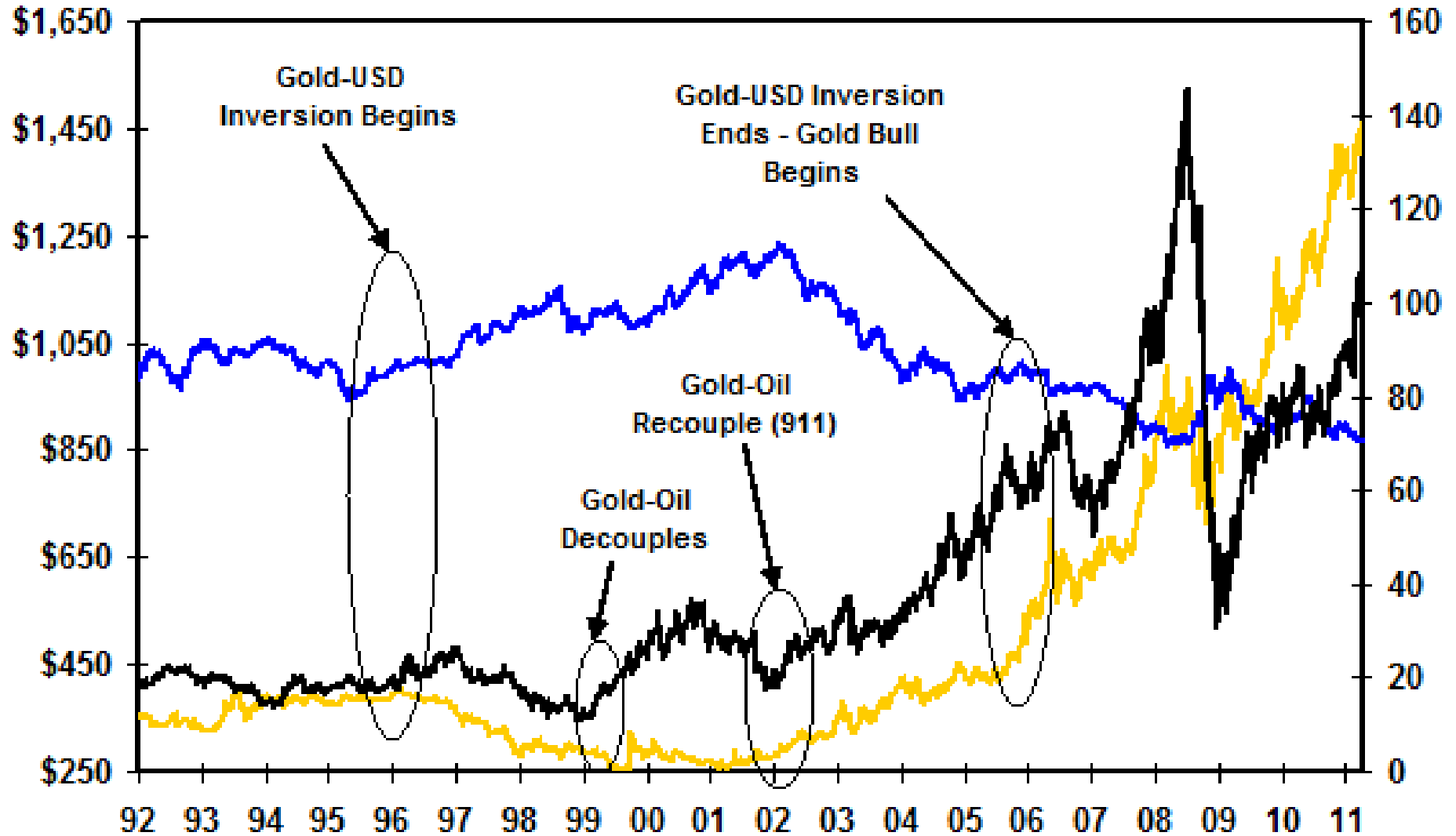
— Brent — WTI at Cushing



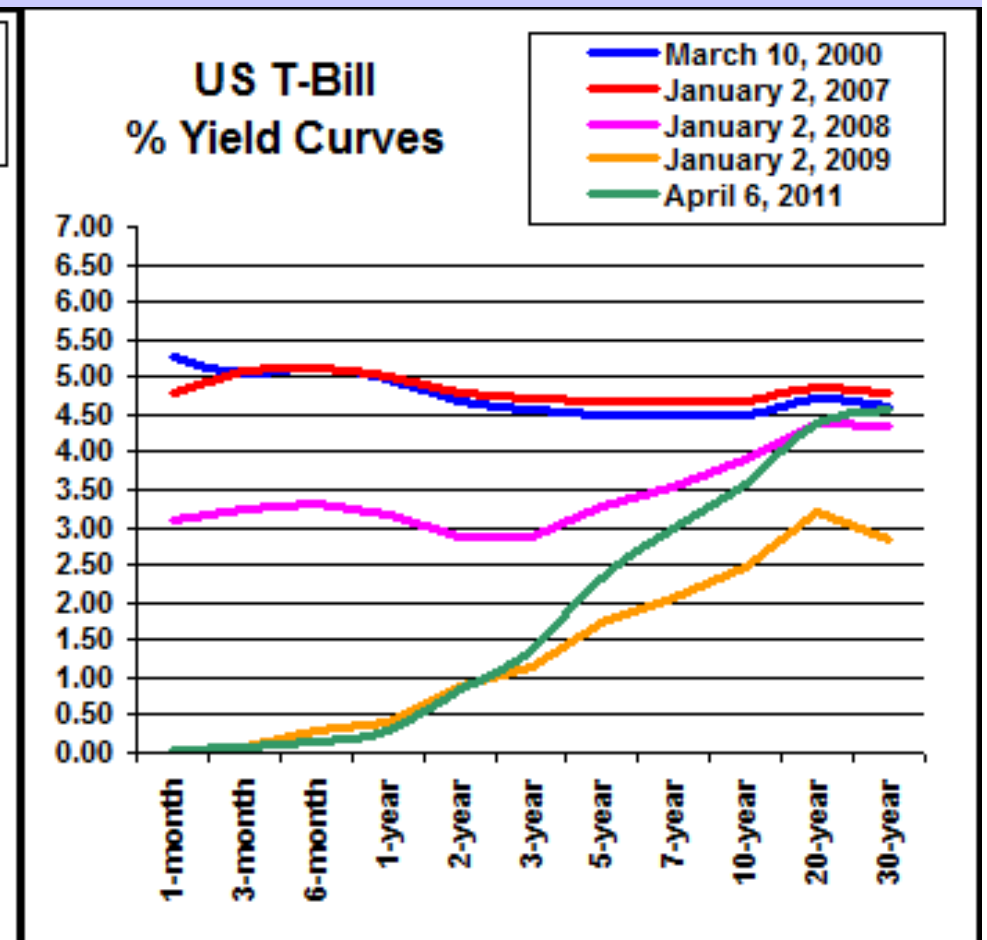
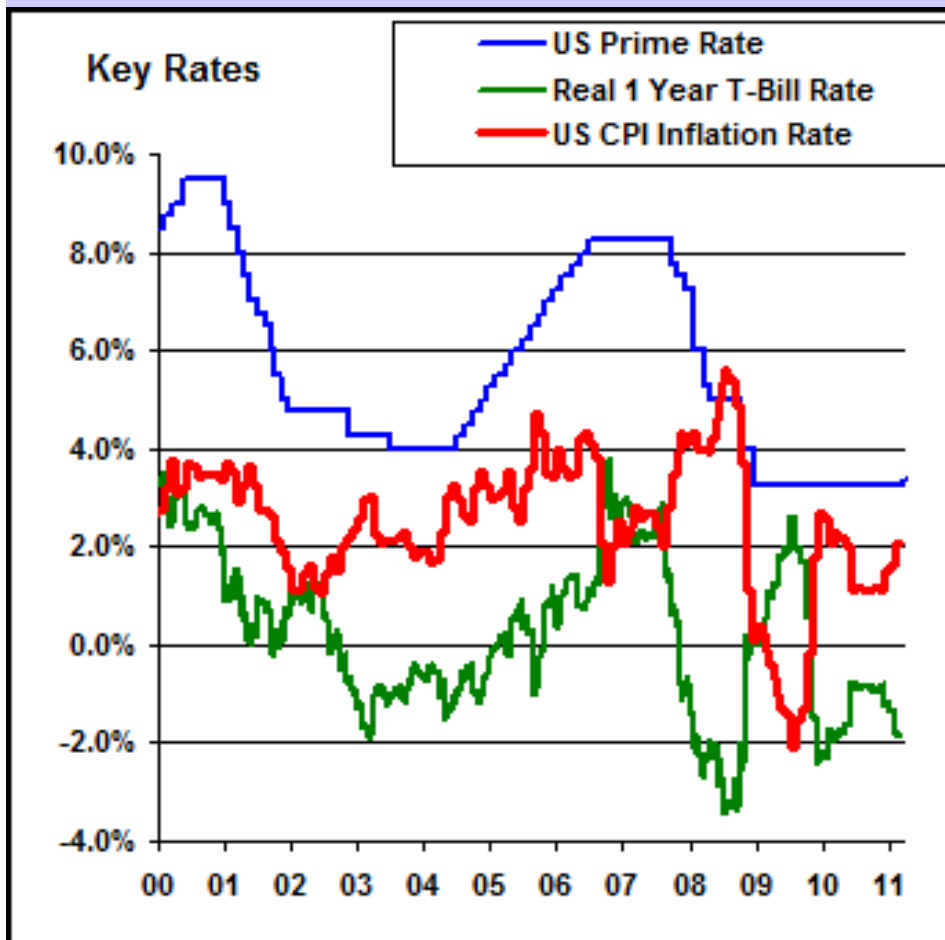


Gold vs US\$ Index vs Oil

- Gold
- US\$ Major Currency Index
- WTI Crude Oil US\$

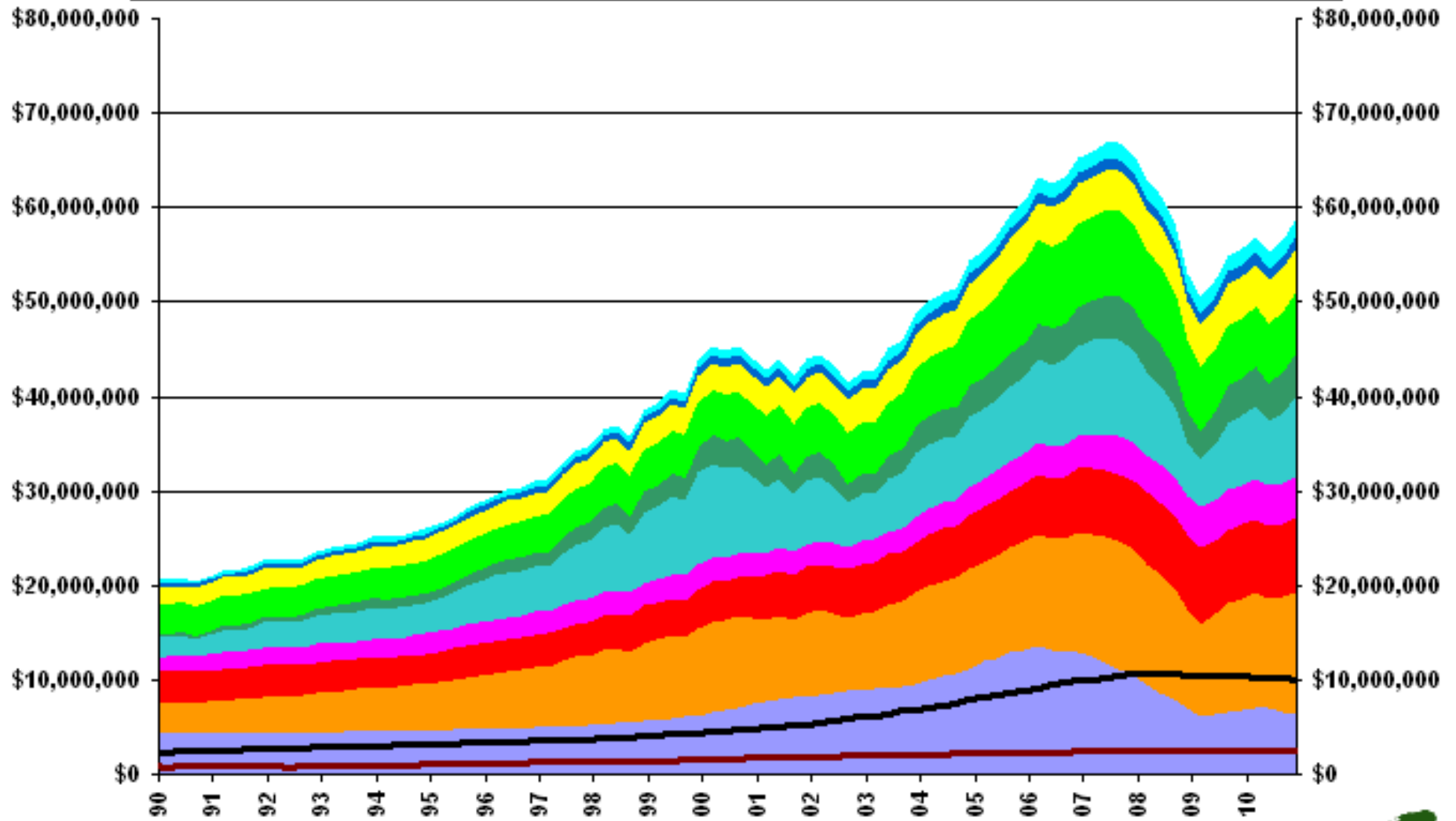


Is the inflationary pressure due to loose US monetary policy or an imbalance between rising real demand and an inadequate raw material supply response?



US Household Assets - millions

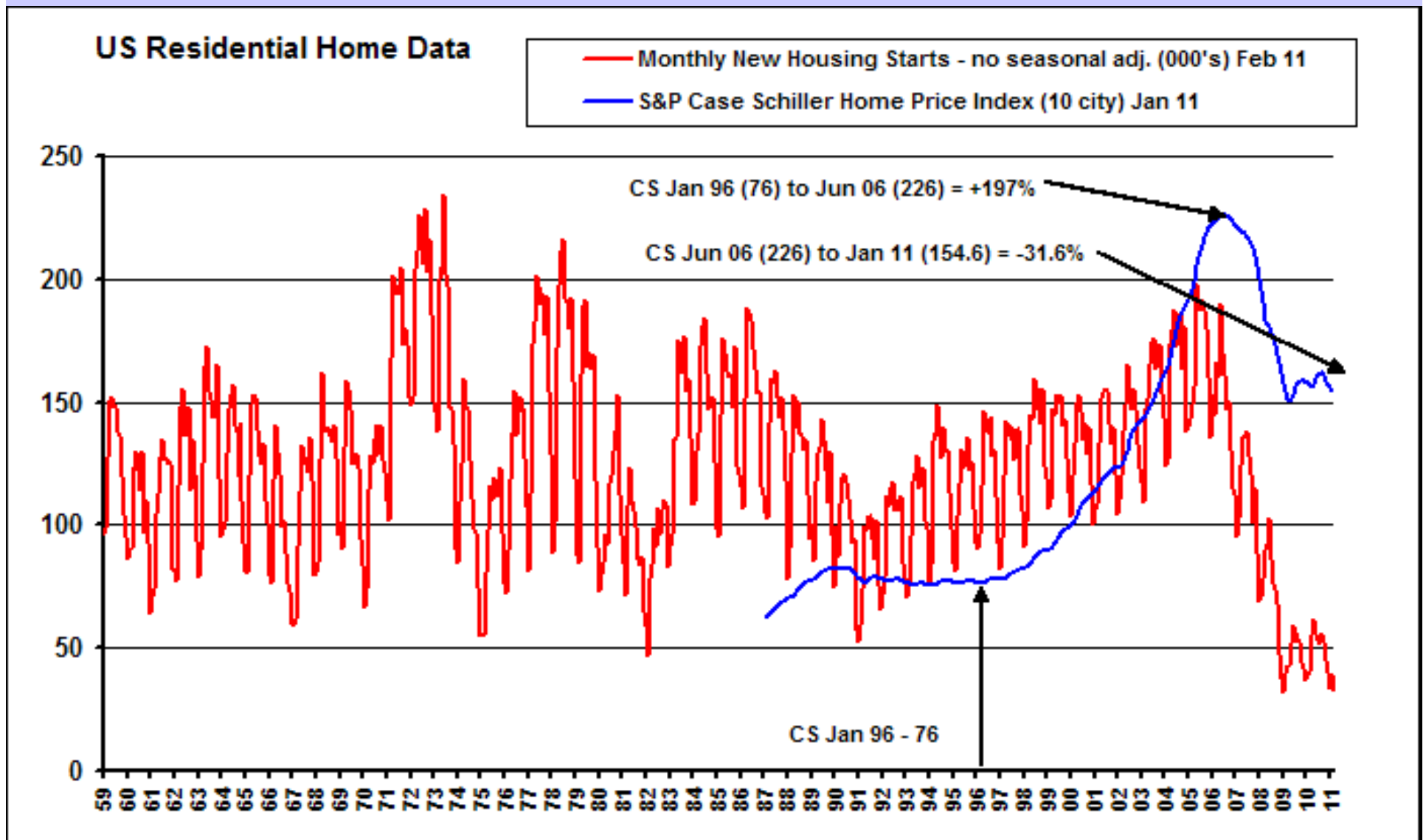
(Quarterly Unadjusted thru Q4 2010)



Source: Federal Reserve

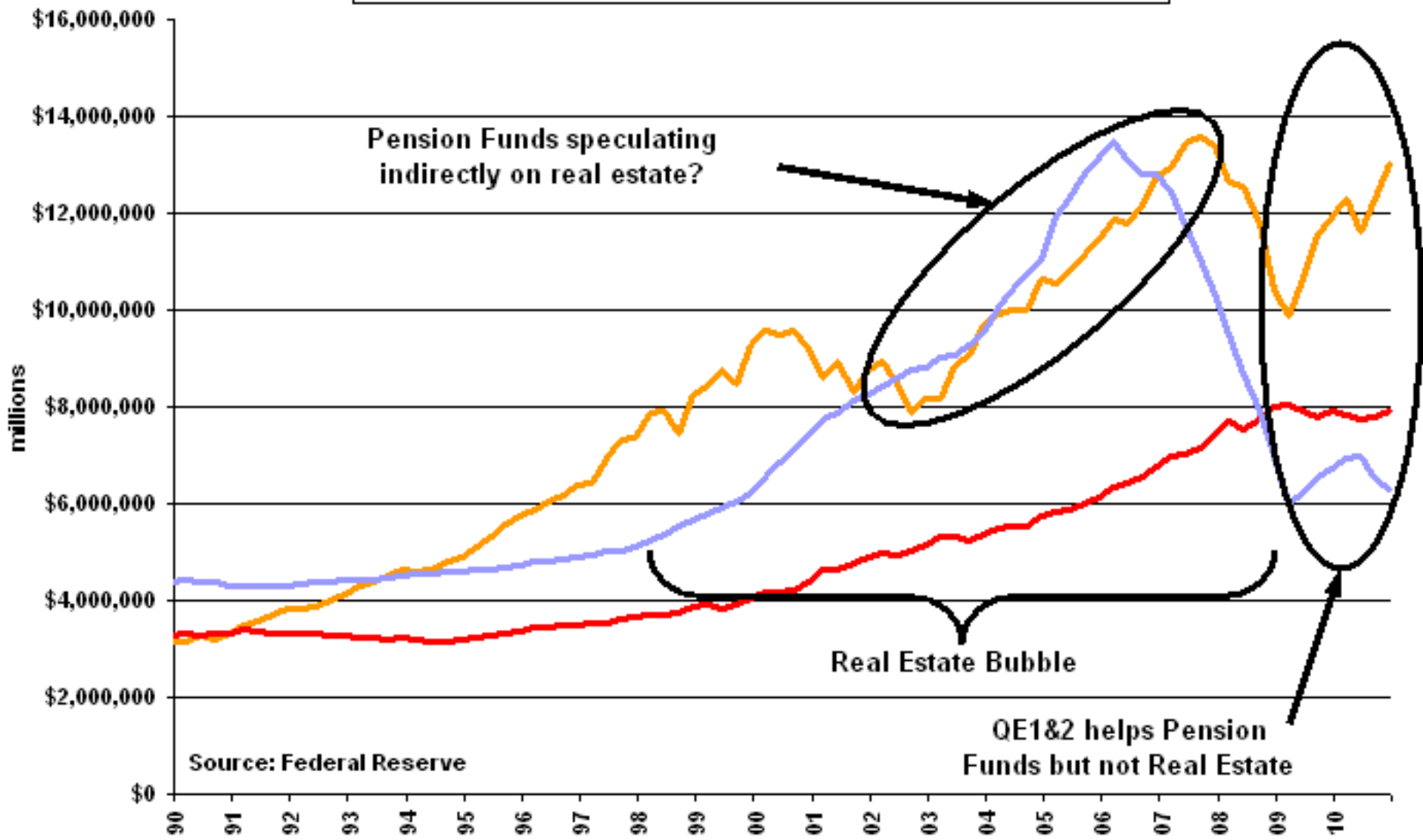


Have real estate prices bottomed or does another leg down lie ahead as interest rates rise in response to inflation and intensify the foreclosure process?



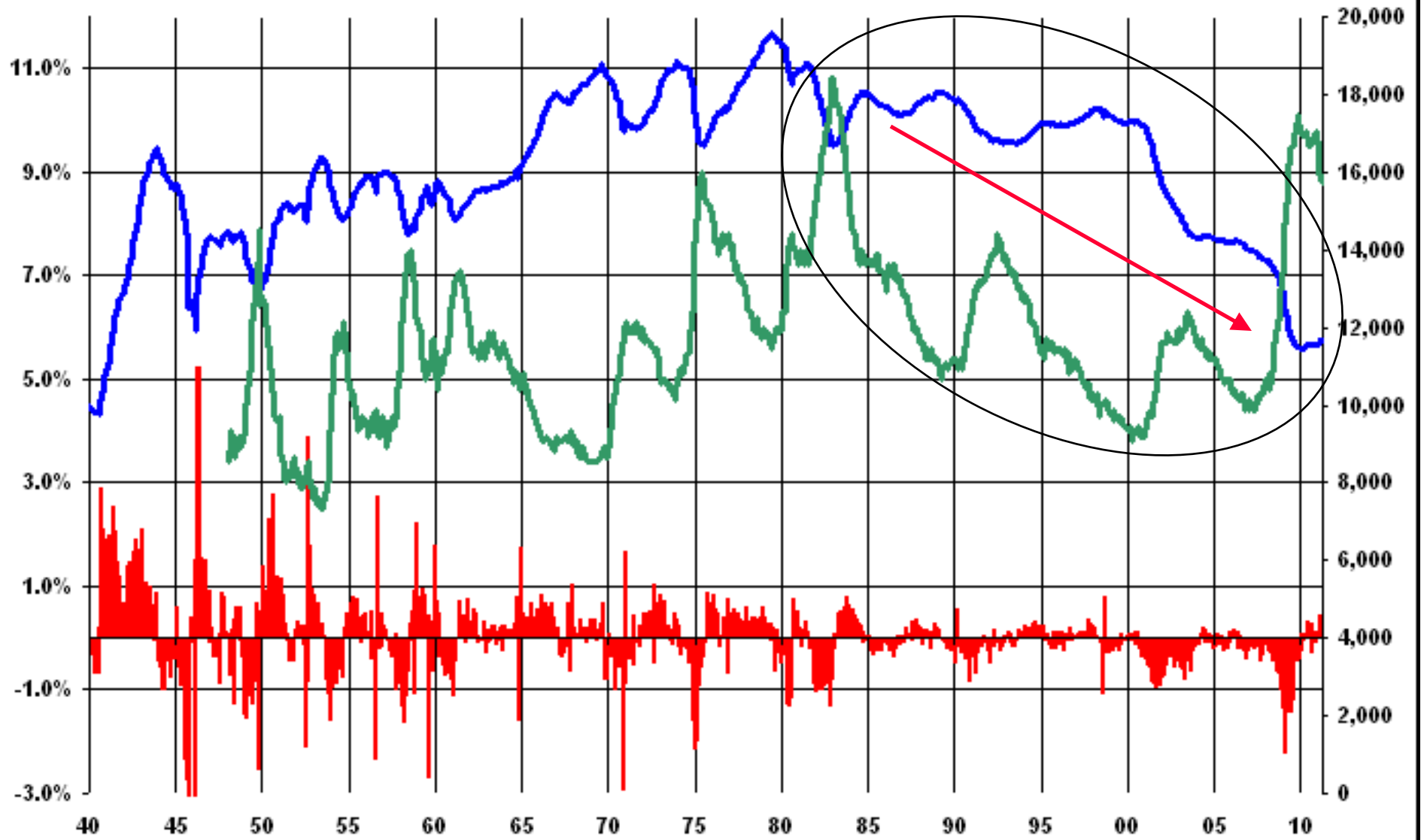


US Household Assets (Quarterly Unadjusted thru Q4 2010)



US Manufacturing Jobs

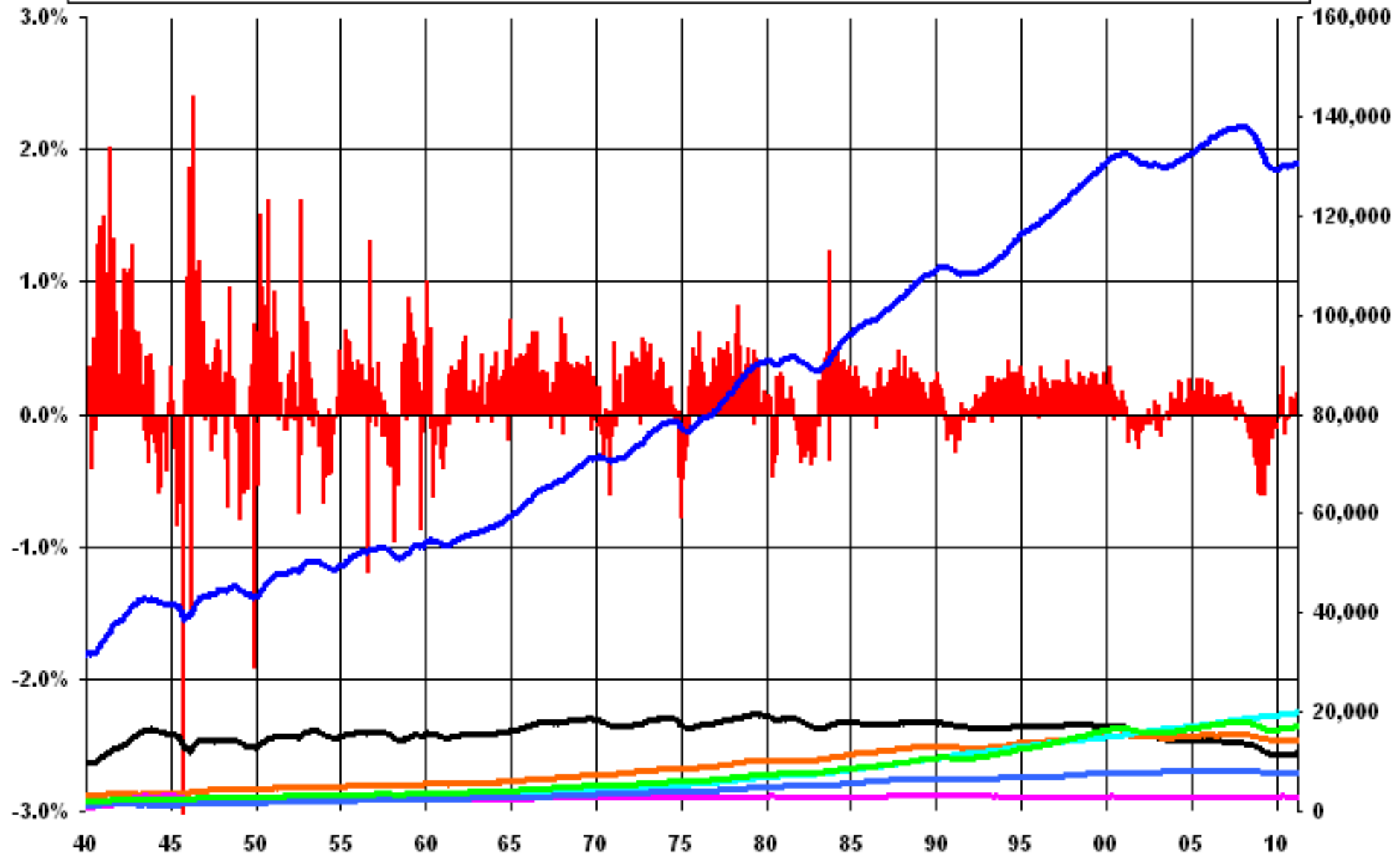
Monthly Job % Change Total Jobs - '000s Unemployment Rate %



Source: Bureau of Labor Statistics

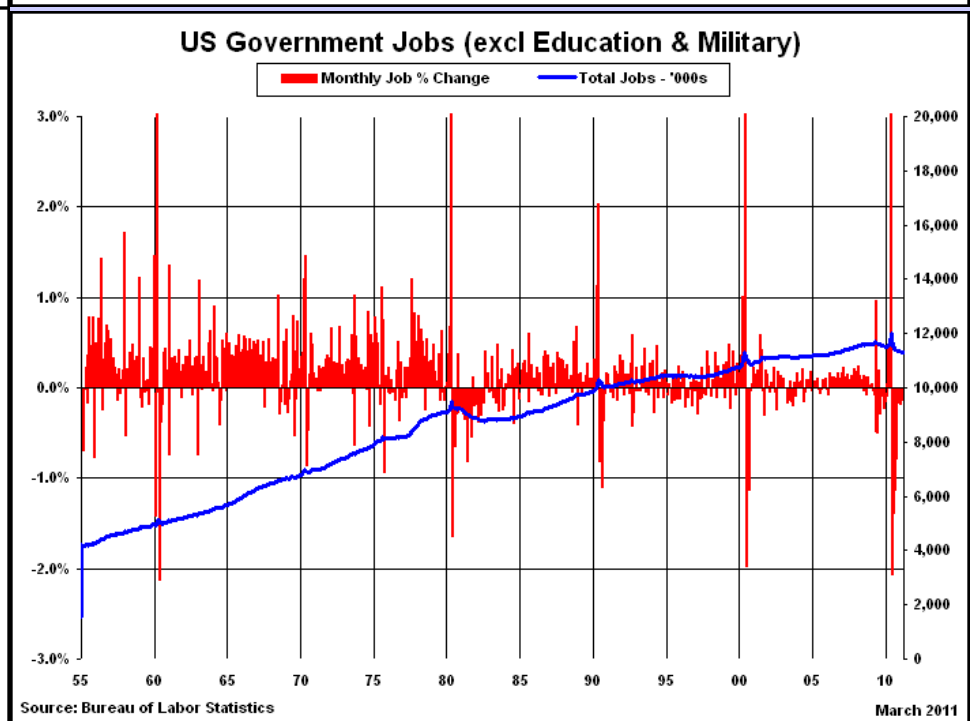
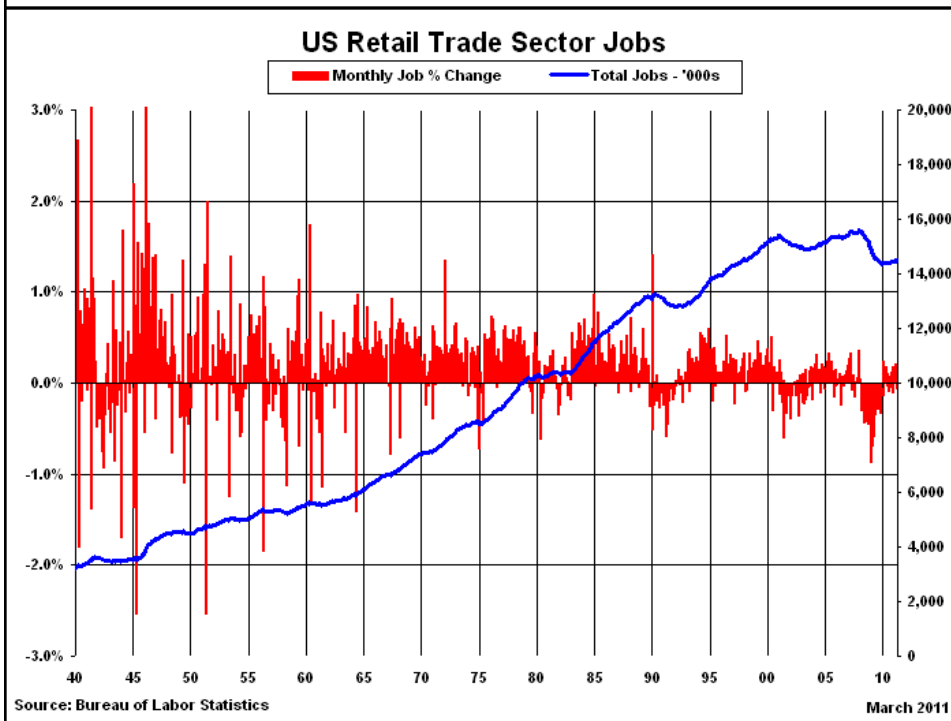
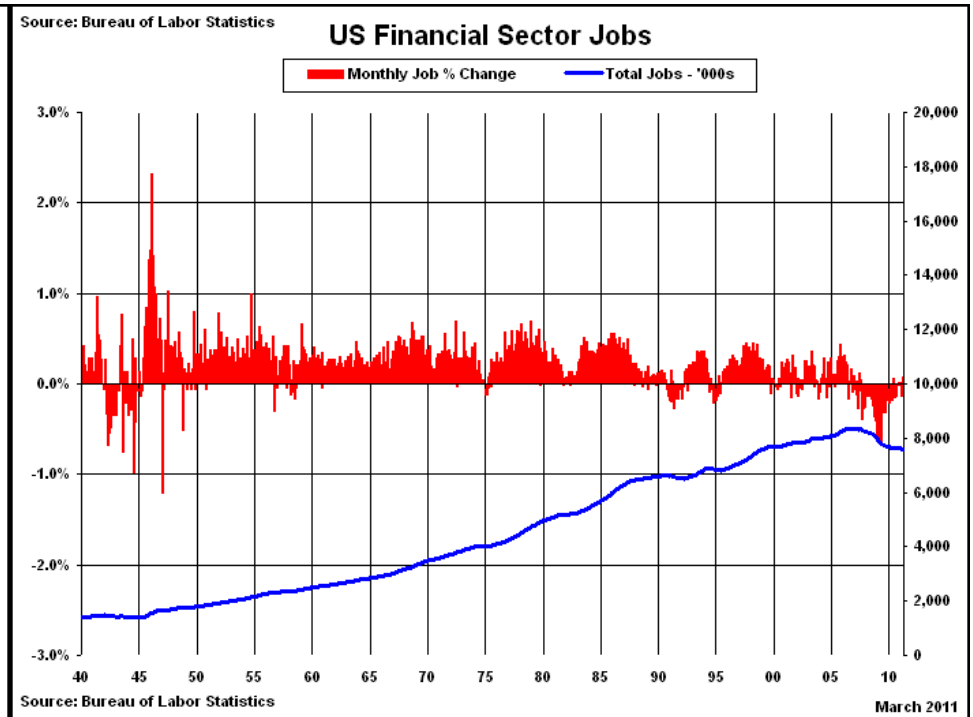
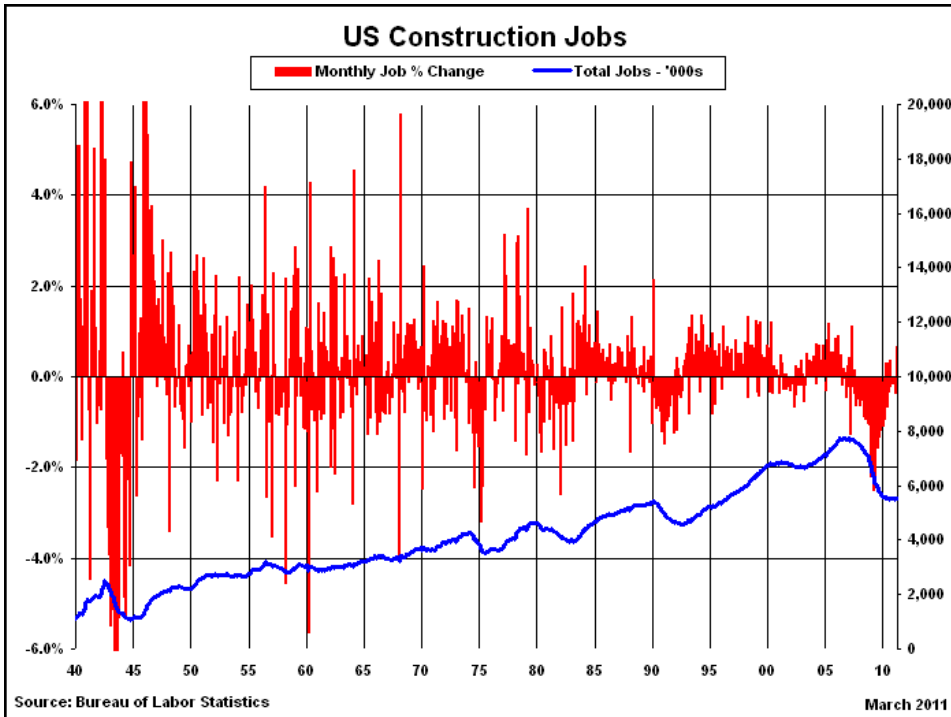
March 2011

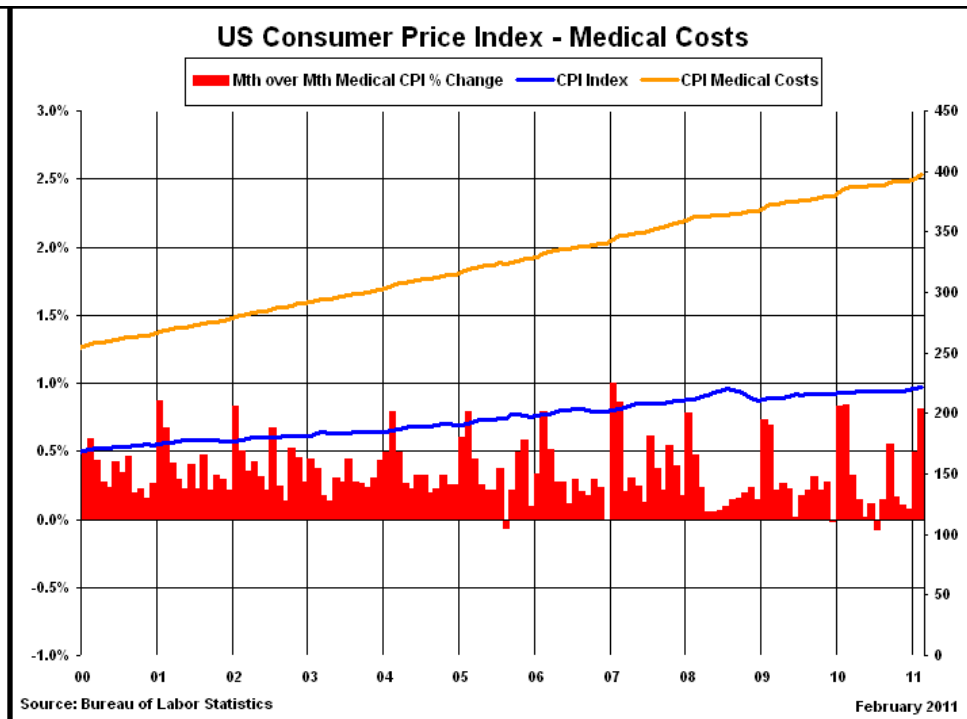
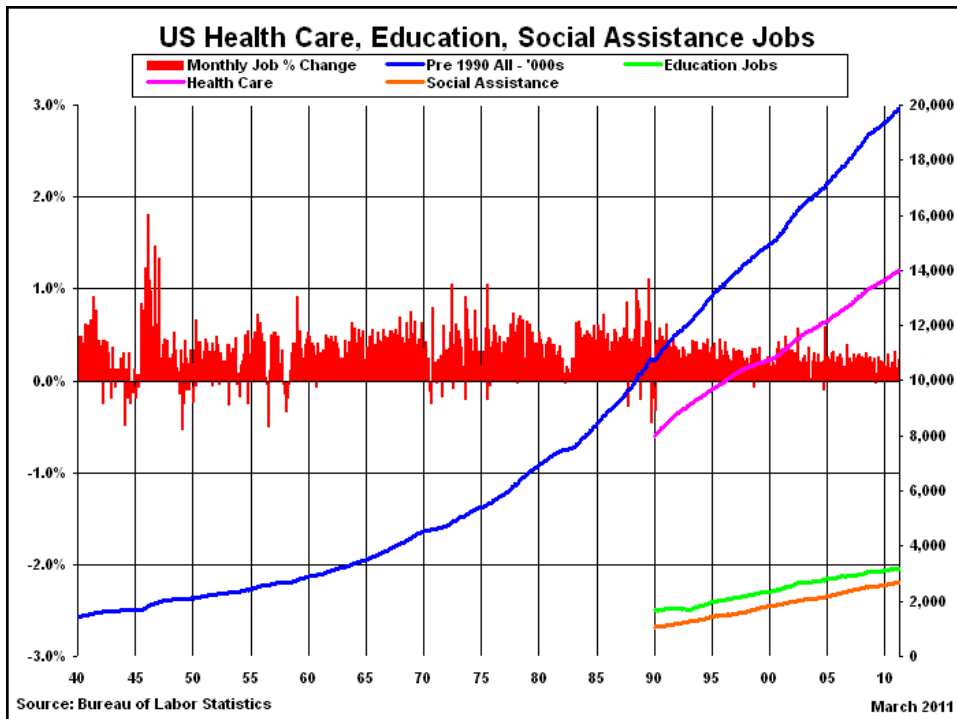
US NonFarm Jobs



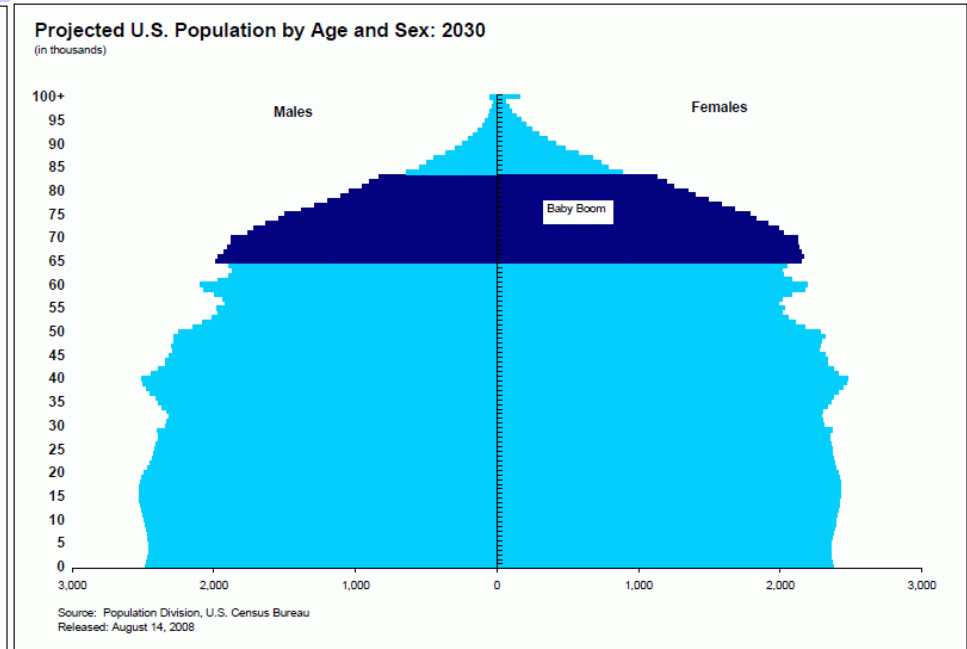
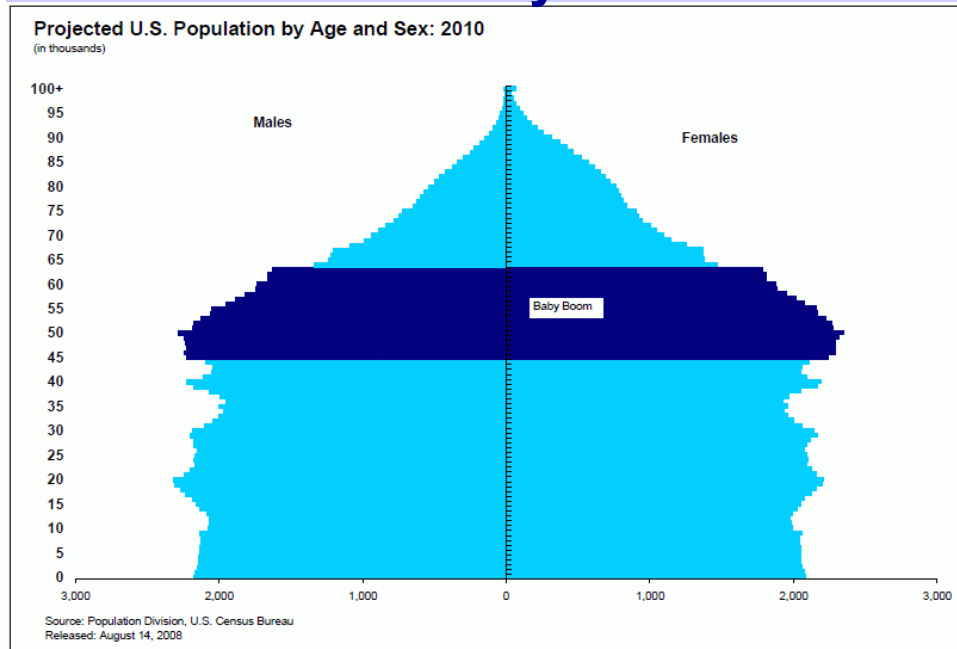
Source: Bureau of Labor Statistics

March 2011



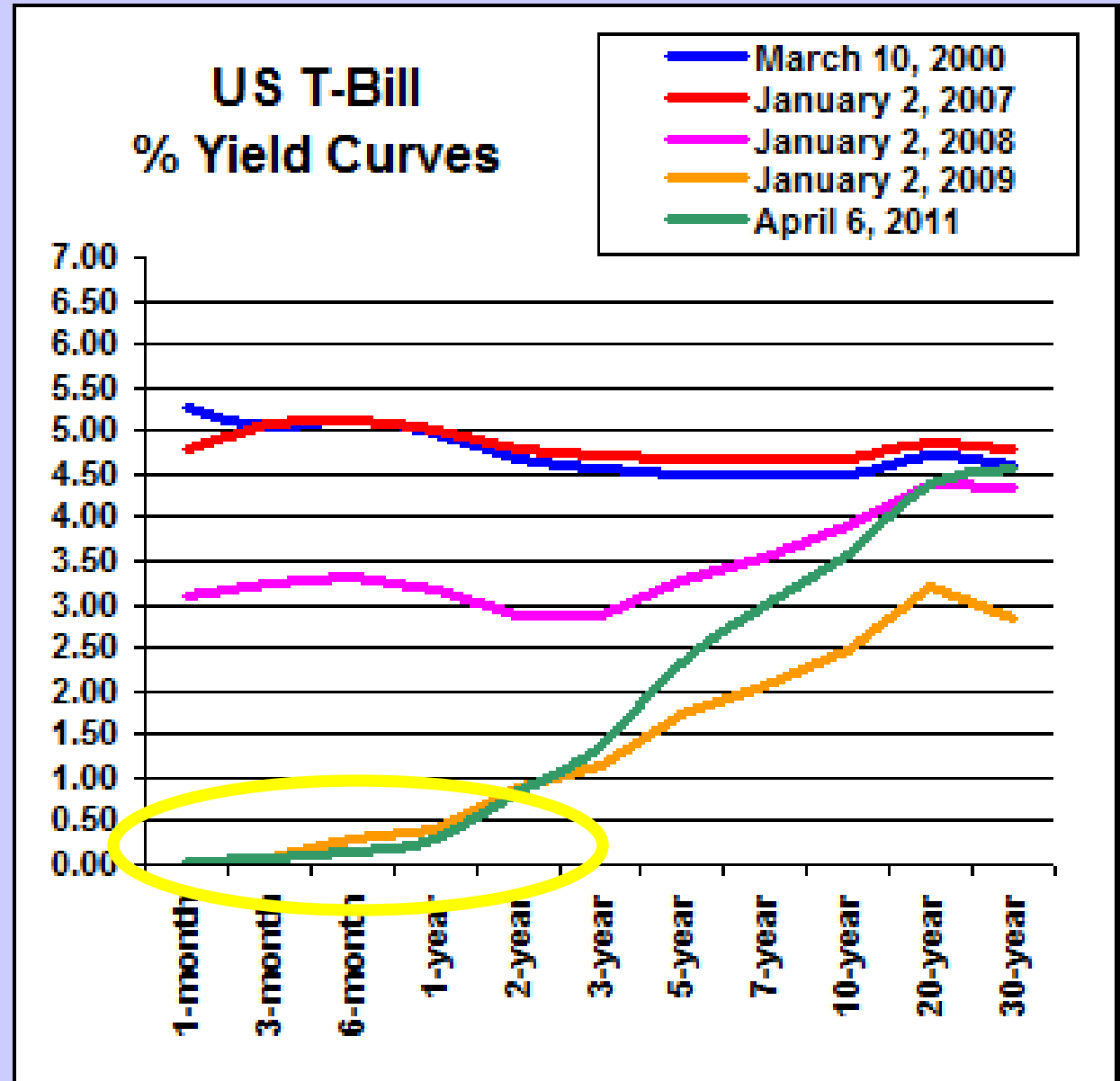


America's Key Problem: the Boomer Bubble & Health Care



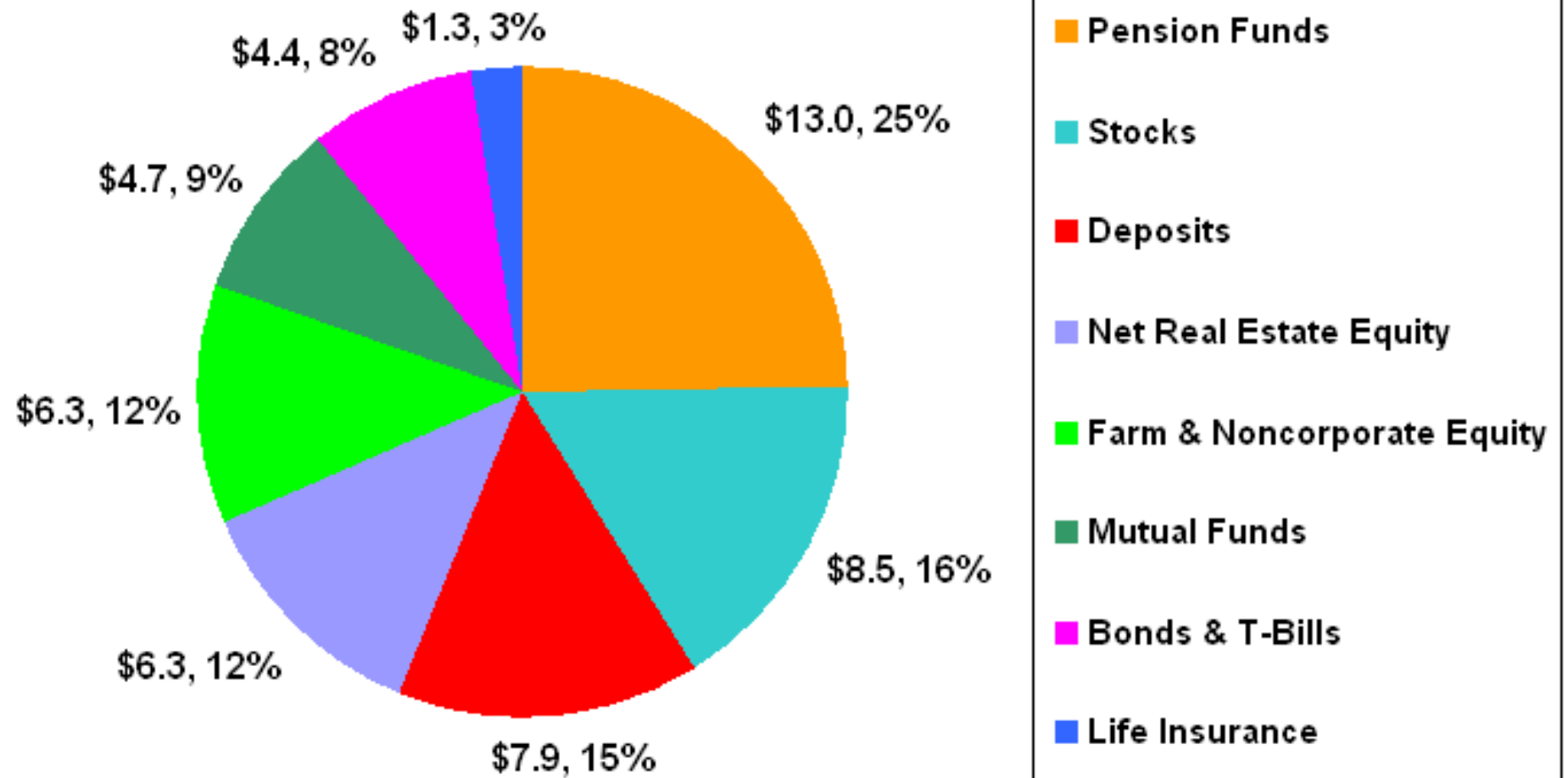
US Government Solution:

Quantitative Easing – creating a desperate quest for yield that flows capital into emerging economies, does nothing for domestic job creation, and hurts the boomers' retirement plans.

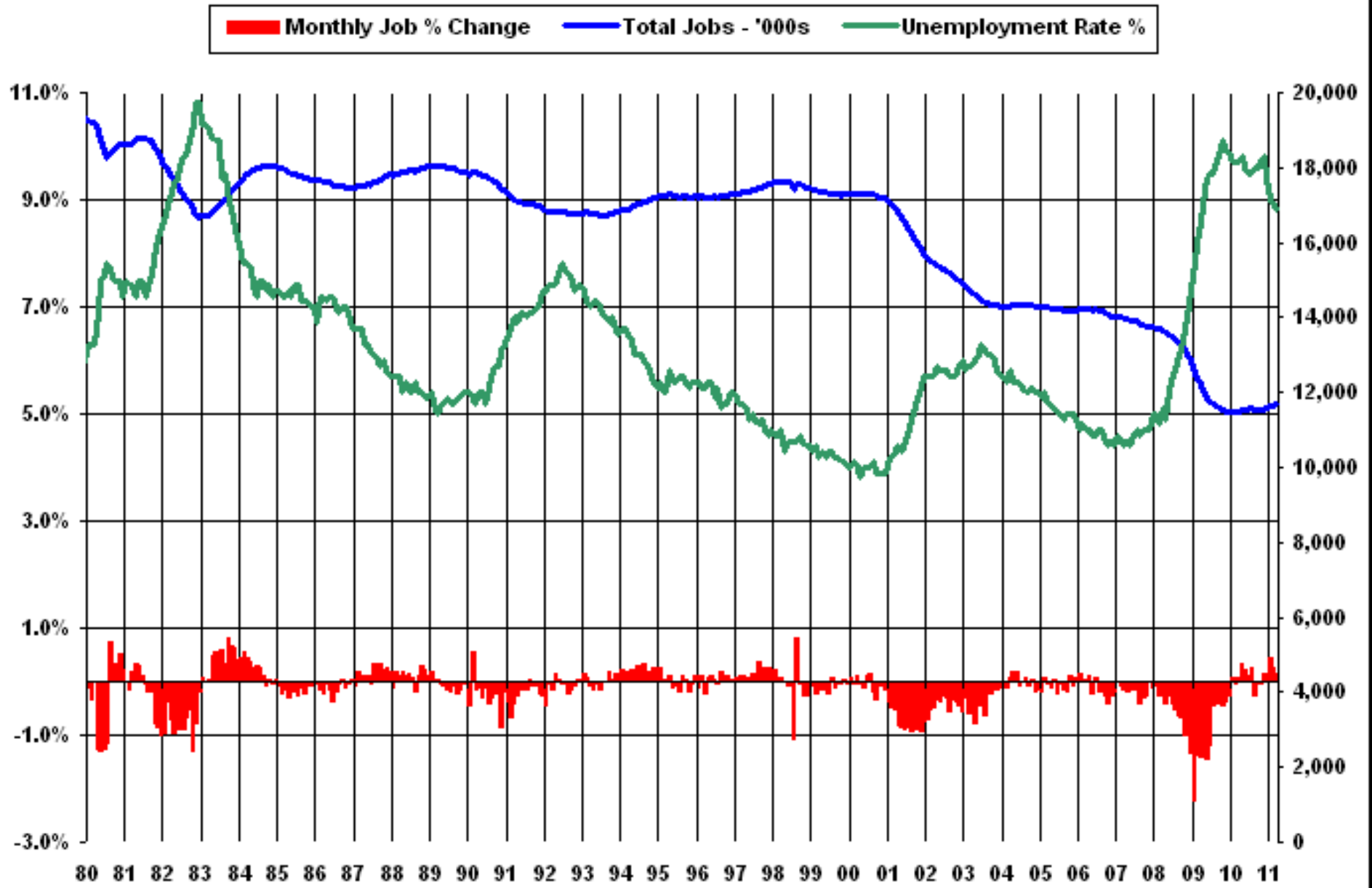


US Household Assets Q4 2010

\$52.4 trillion



US Manufacturing Jobs

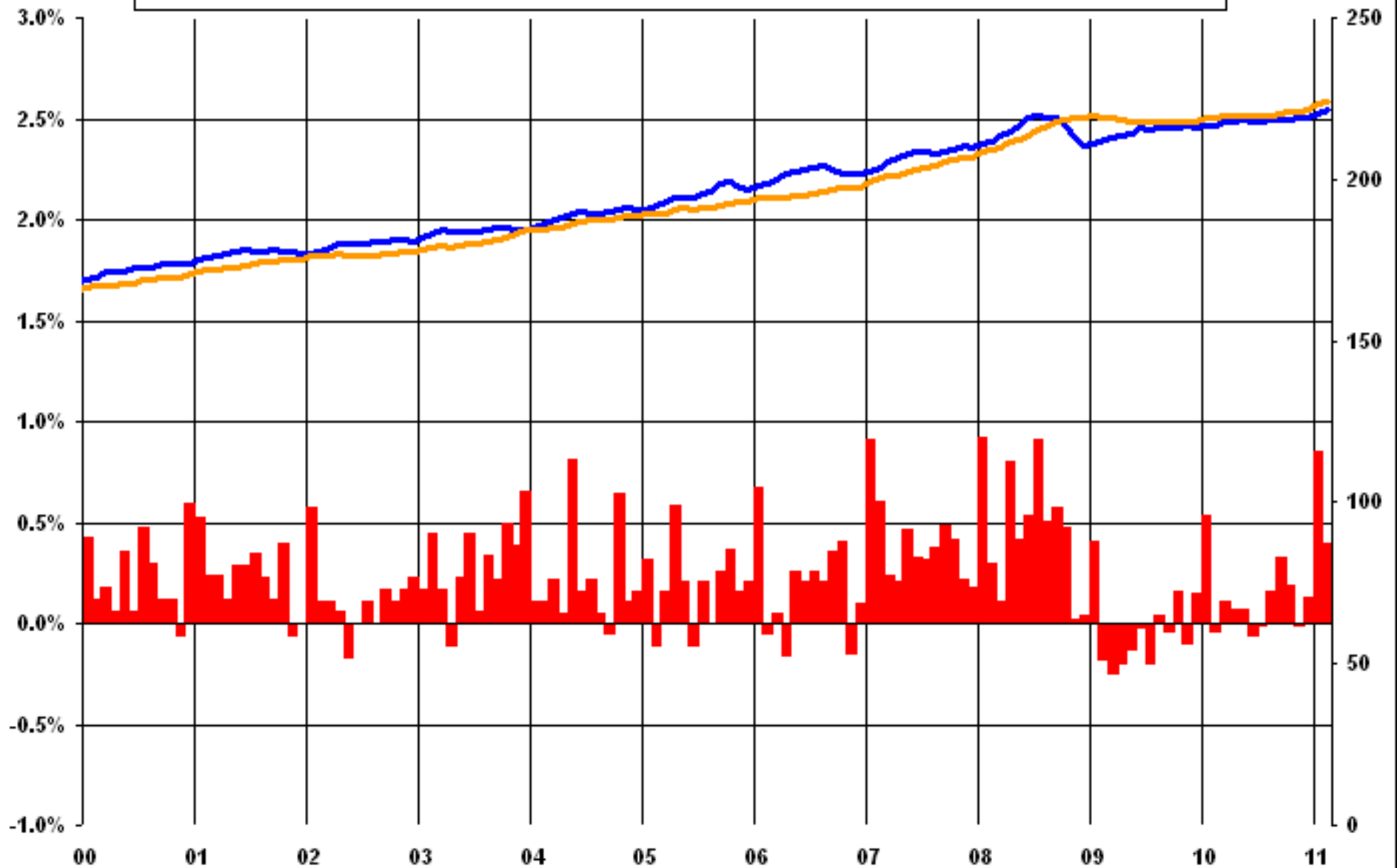


Source: Bureau of Labor Statistics

March 2011

US Consumer Price Index - Owner's Equivalent Rent

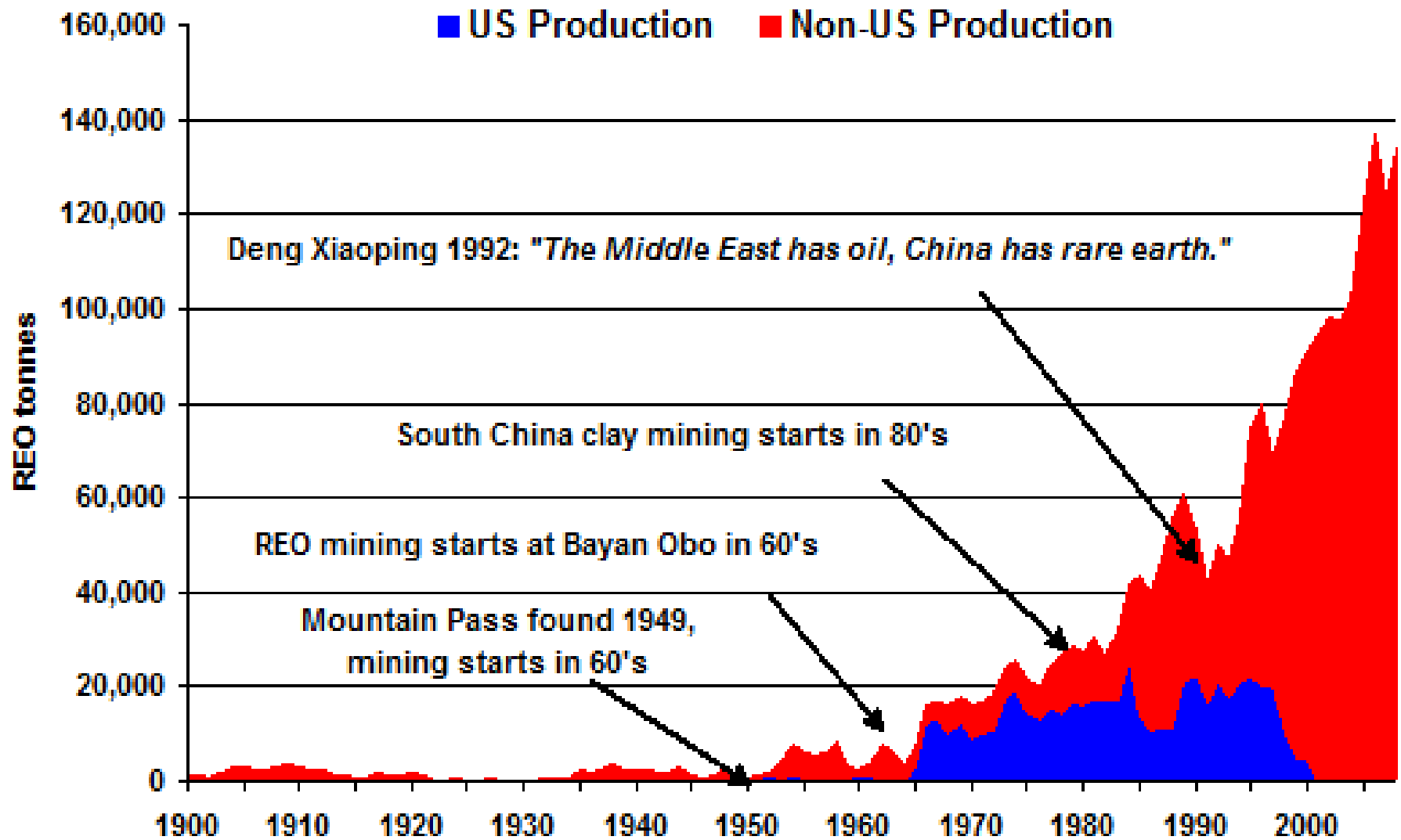
Mth over Mth Equiv Rent CPI % Change CPI Index CPI Owner's Equiv Rent



Source: Bureau of Labor Statistics

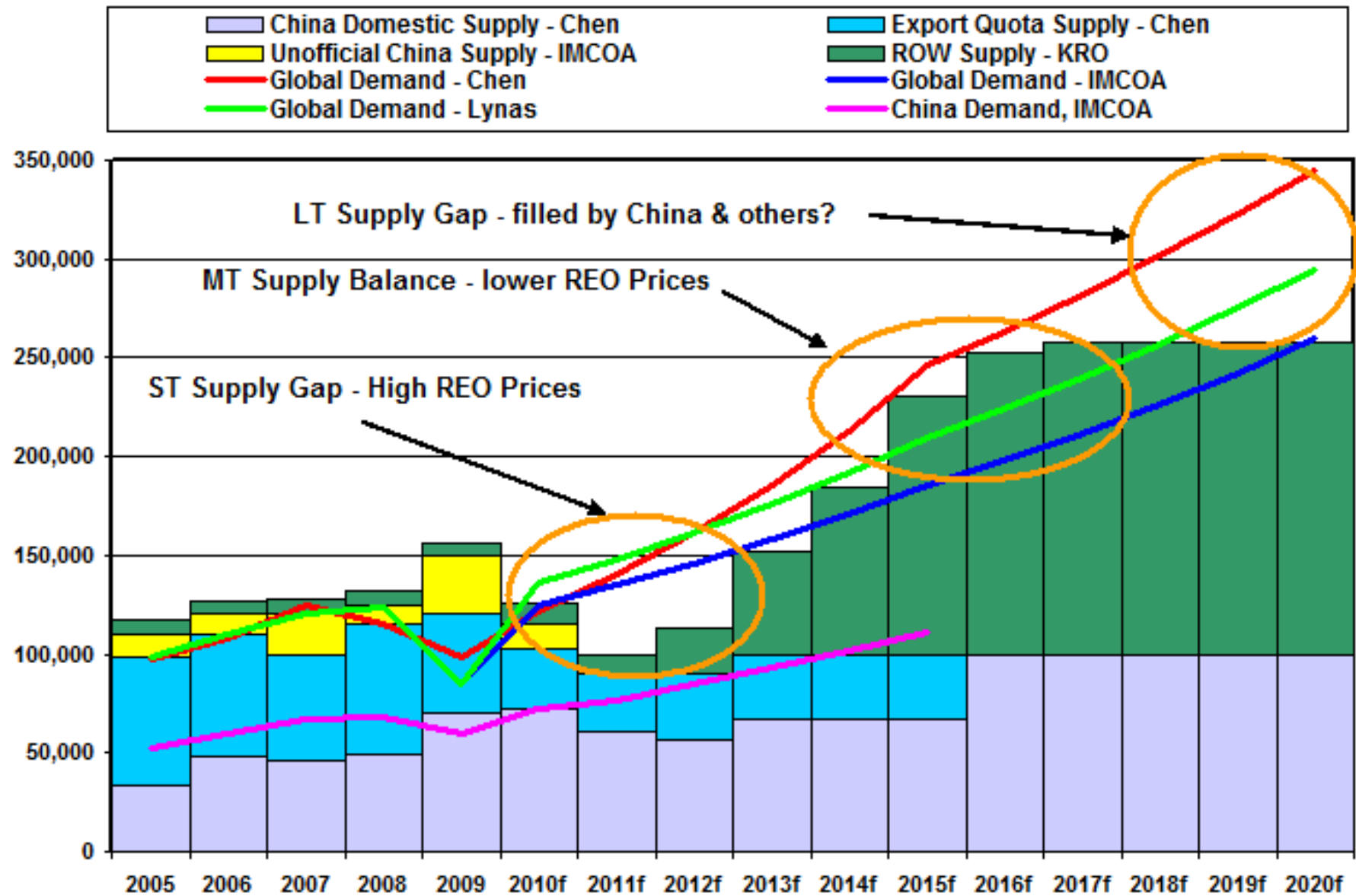
February 2011

World & US Rare Earth Production



Source: USGS

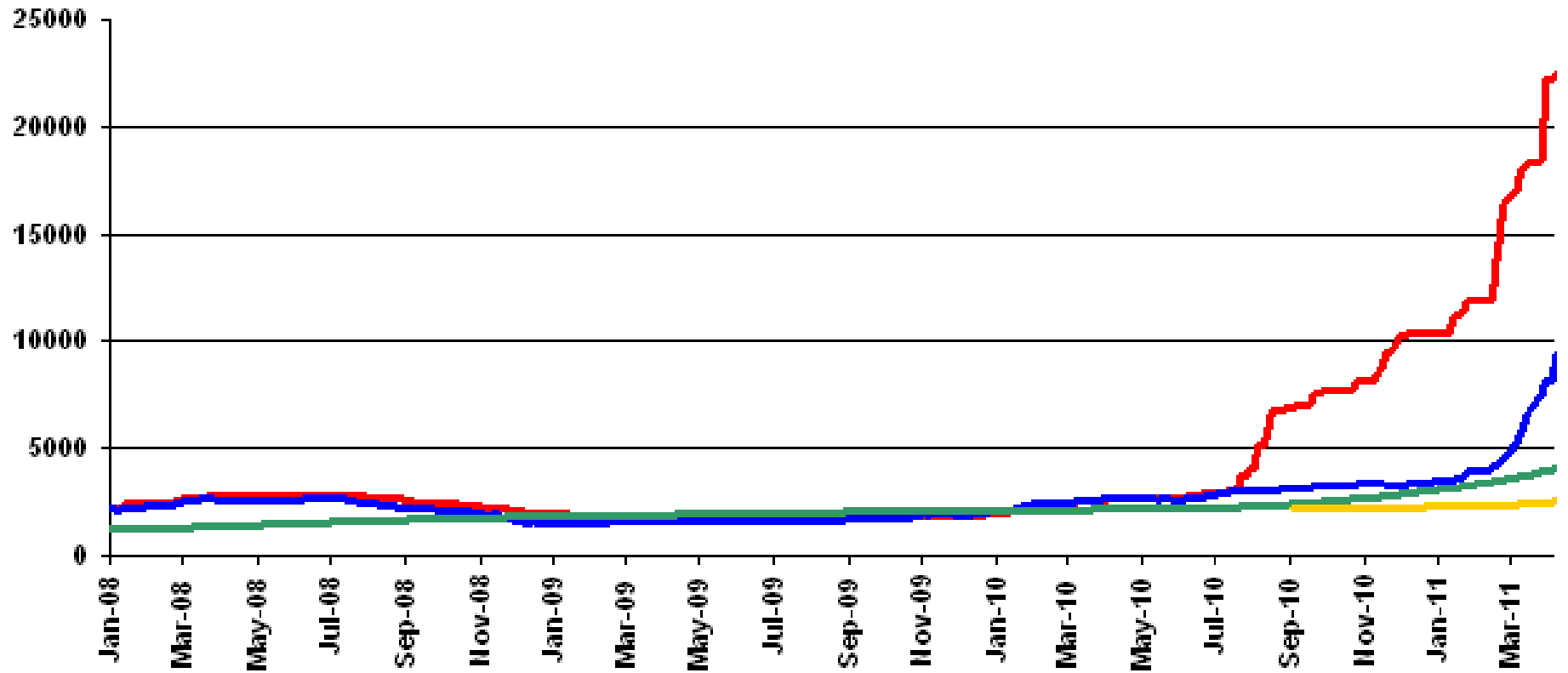
REO Global Supply/Demand Projections - KRO Estimates



Source Notes: China supply based on Dr Chen presentation Critical Metals Vancouver January 2011, ROW supply internal estimates. Supply includes Lynas, Molycorp, Arafura, Alkane, Avalon, Quest, Rare Element and GWG.

Kaiser REO FOB & Domestic Composite Price Index

April 7, 2011

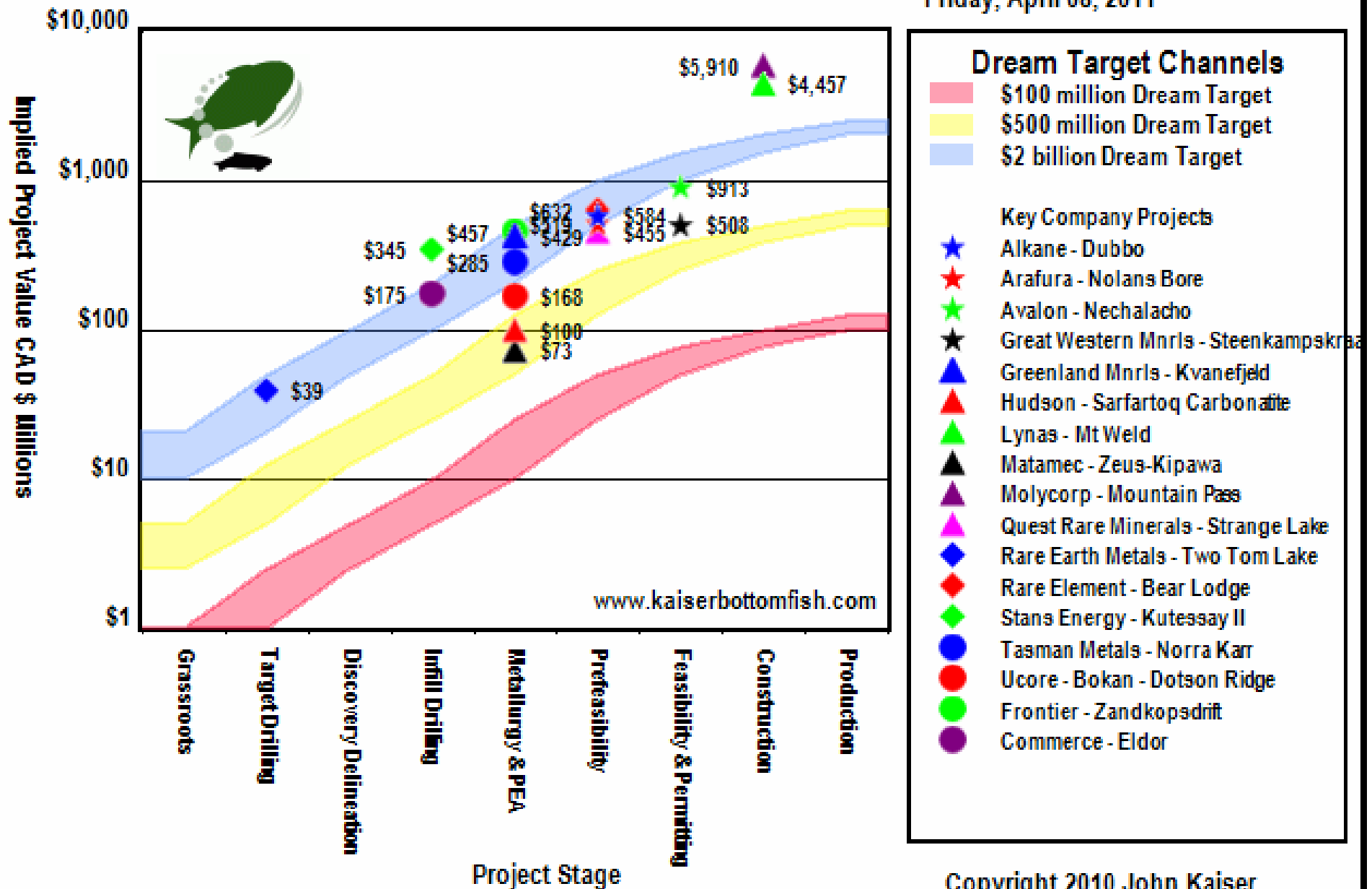


- REO FOB Index (Ce La Pr Ild Sm Eu Gd Tb Dy Y) indices normalized to 1000 Apr 13, 2001
- REO Domestic Index - normalized to parity with FOB Index on Nov 15, 2007
- FOB 3 Year Composite Index Average
- Domestic 3 Year Composite Index Average



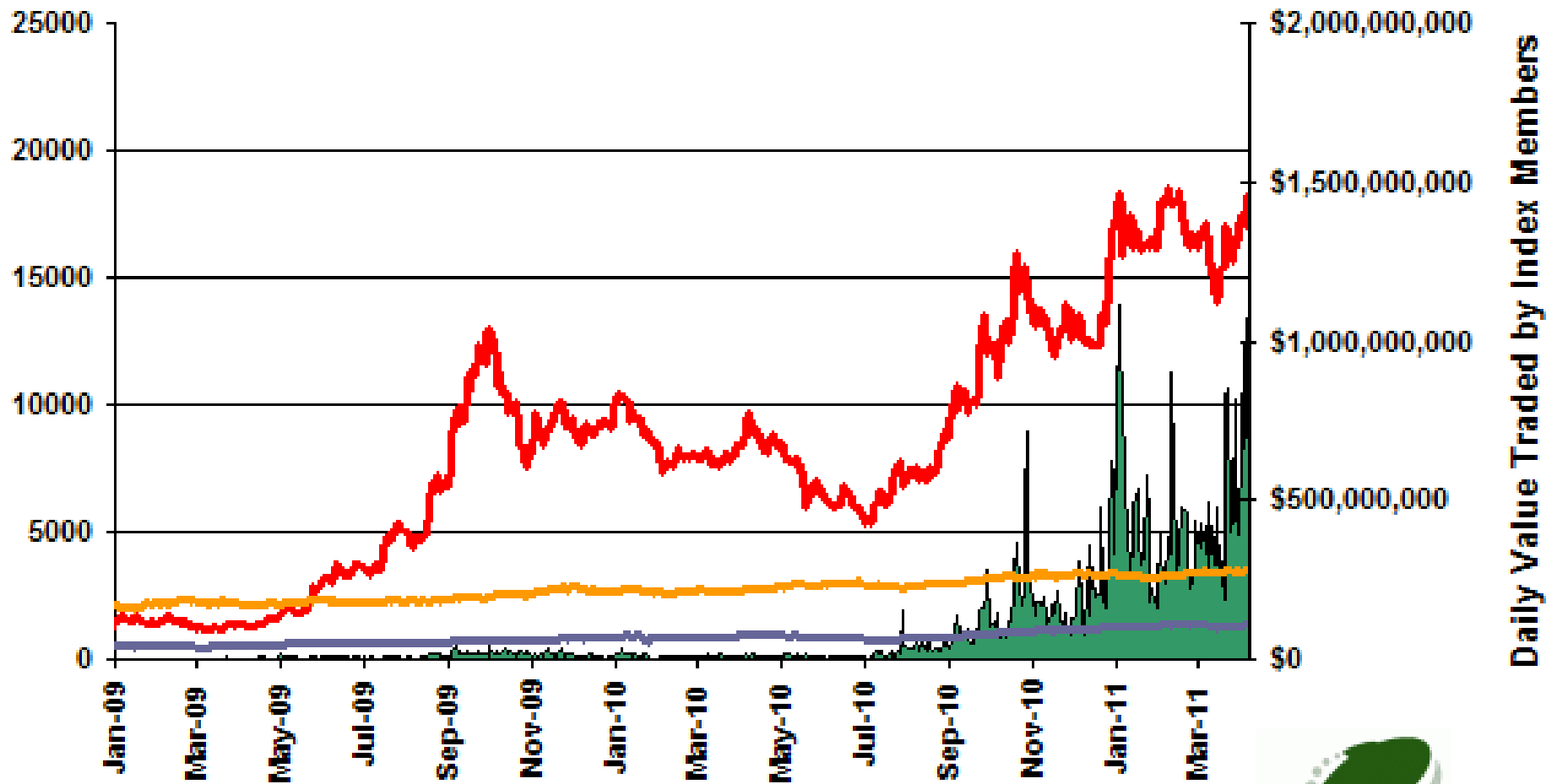
Rare Earth Index Project Valuations

Friday, April 08, 2011

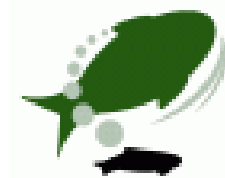


Kaiser Rare Earth Stock Index

April 8, 2011



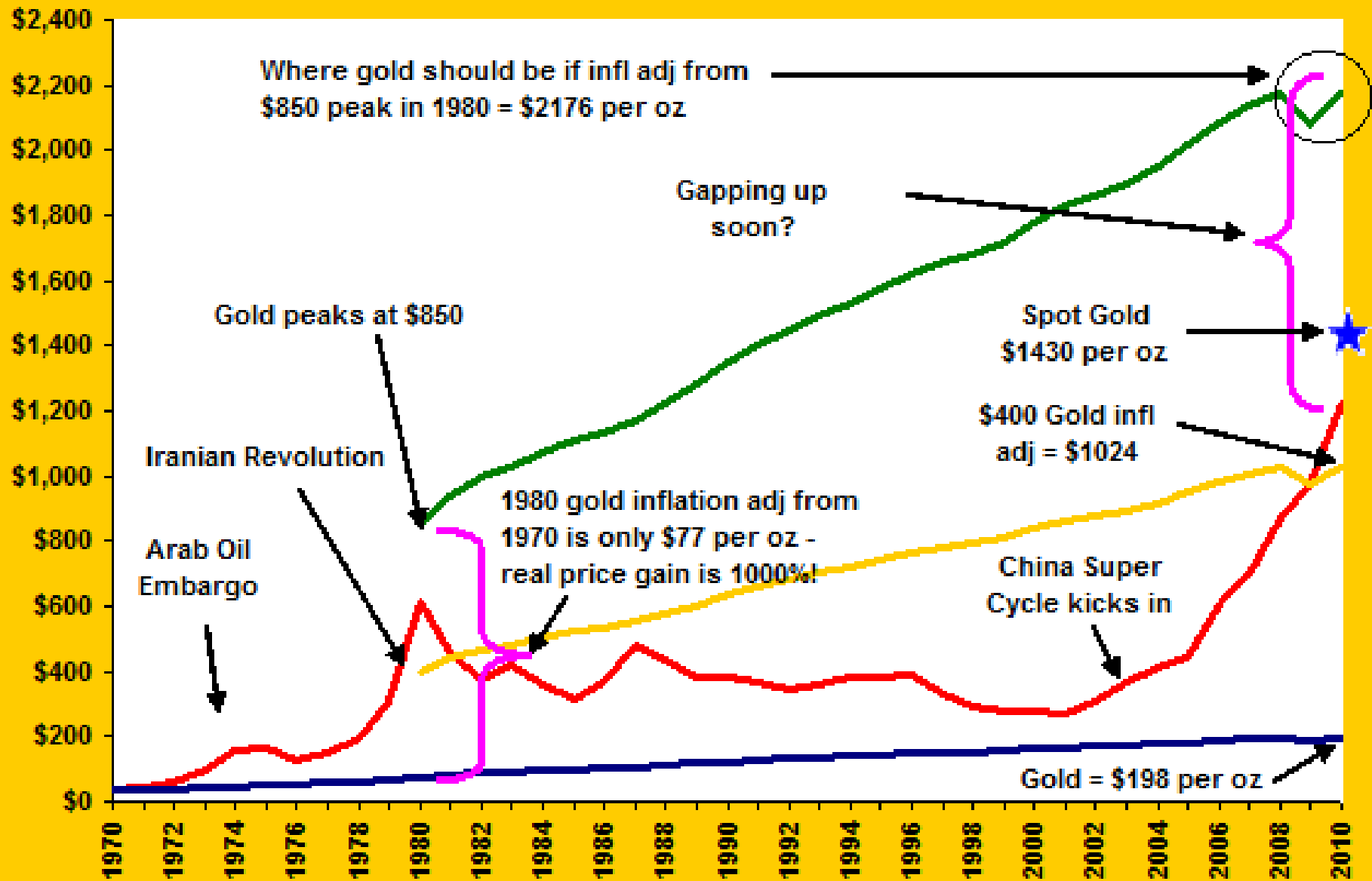
- Daily Value Traded by Index Members
- Gold \$415.20/oz normalized to 1000 on Jan 2, 2004
- TSXV Index Normalized to 1000 on Jan 2, 2004
- Rare Earth Index - 1000 on Jan 2, 2004



Copyright 2011
Canspec Research LLC

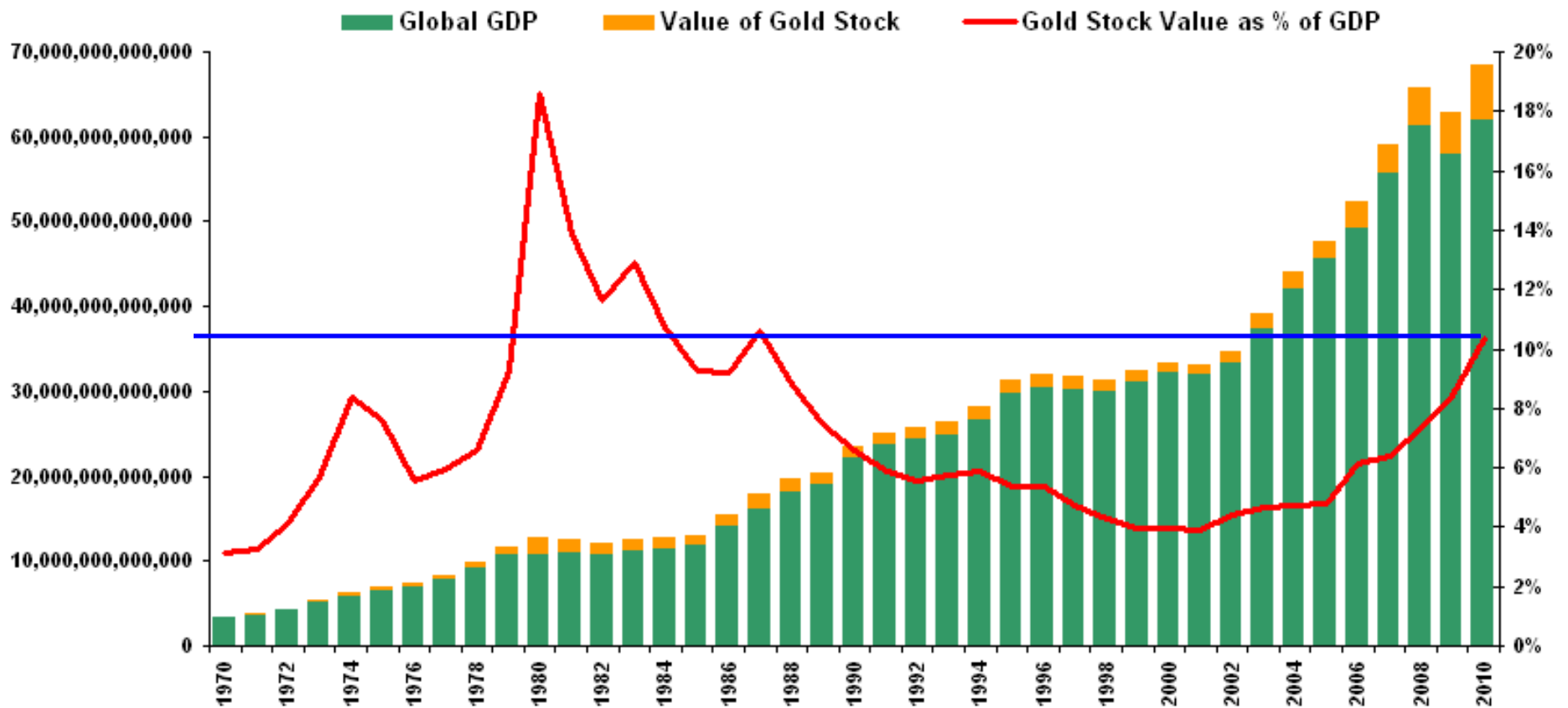
Gold in Perspective

- Actual Average Annual Gold Price
- 1970 Base \$36 per oz inflation adjusted
- 1980 Base \$850 per oz inflation adjusted
- 1980 Base \$400 per oz inflation adjusted



But from this perspective it is clear that gold needs to double in order for the gold stock value to hit the 20% of nominal GDP achieved at the bubble peak of 1980.

Relationship between Global GDP and Value of Existing Gold Stock
(2010 GDP & Mine Supply estimated - \$1,204/oz average)

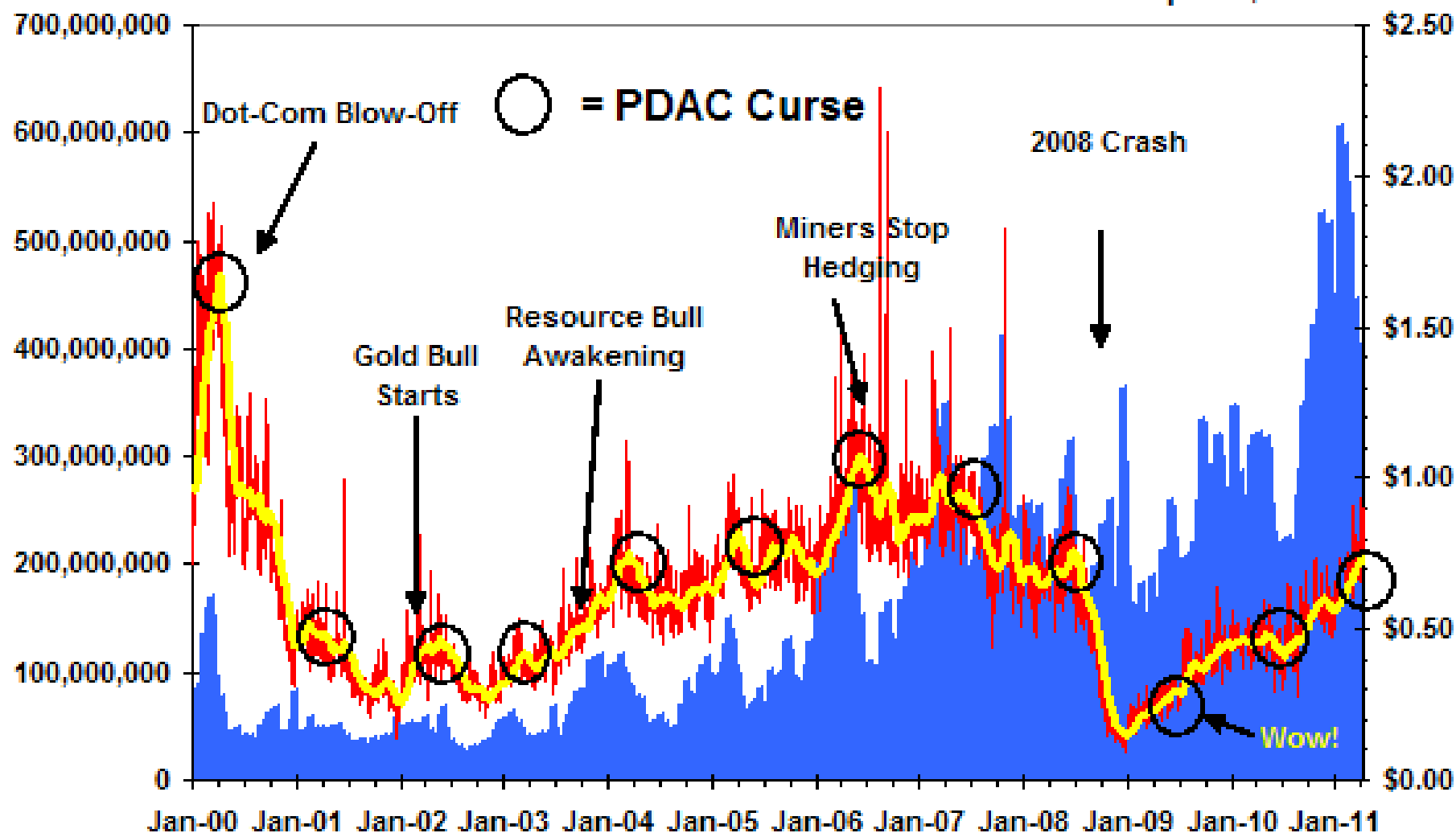


Daily TSXV Volume and Average Trading Share Price



Volume — Average Share Price — 30 Day Average Price

April 8, 2011

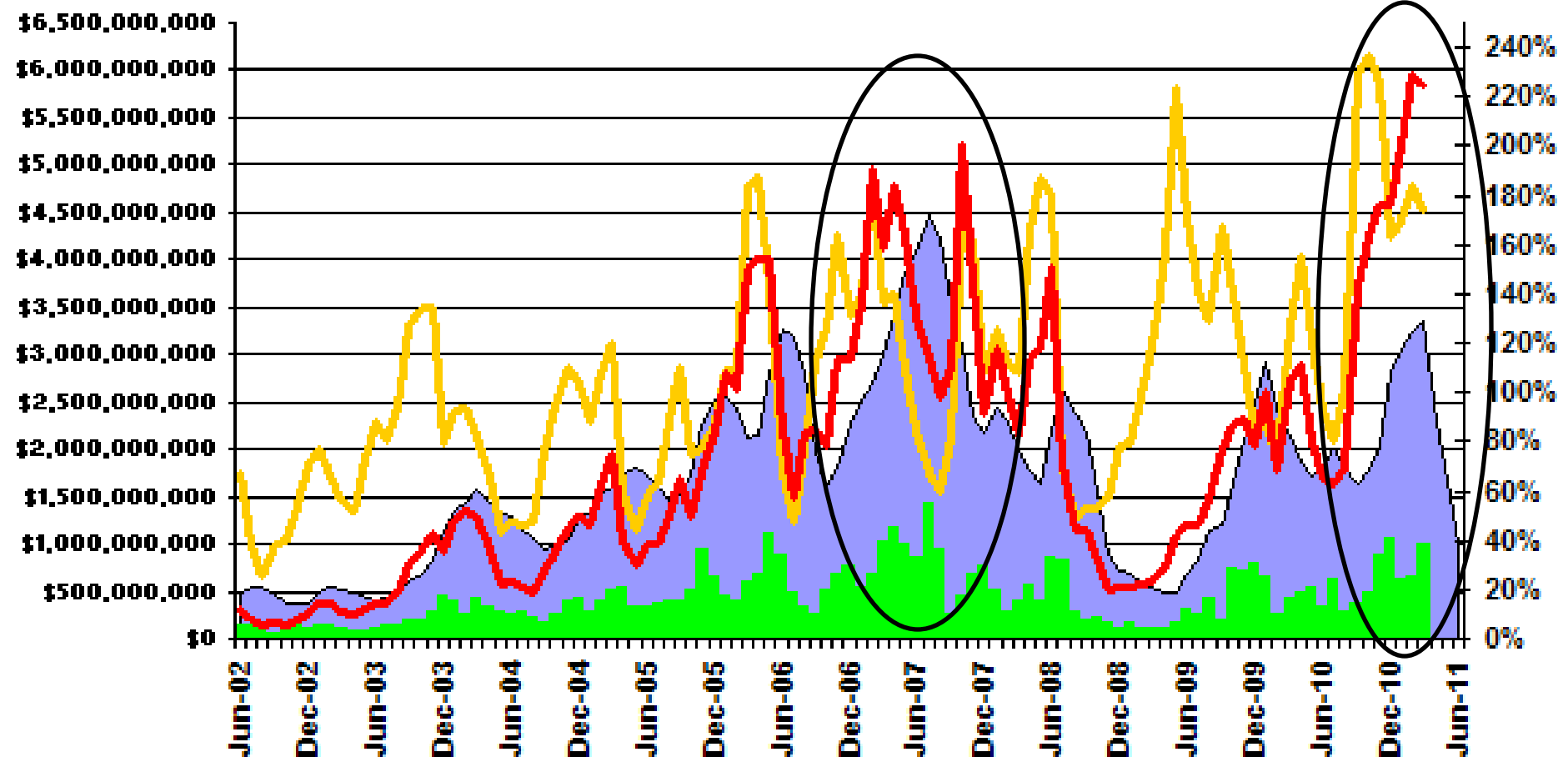


PDAC Curse: the tendency of the new year rally to fizzle right after the PDAC mining convention held annually in March in Toronto.



TSXV Private Placement Timebomb

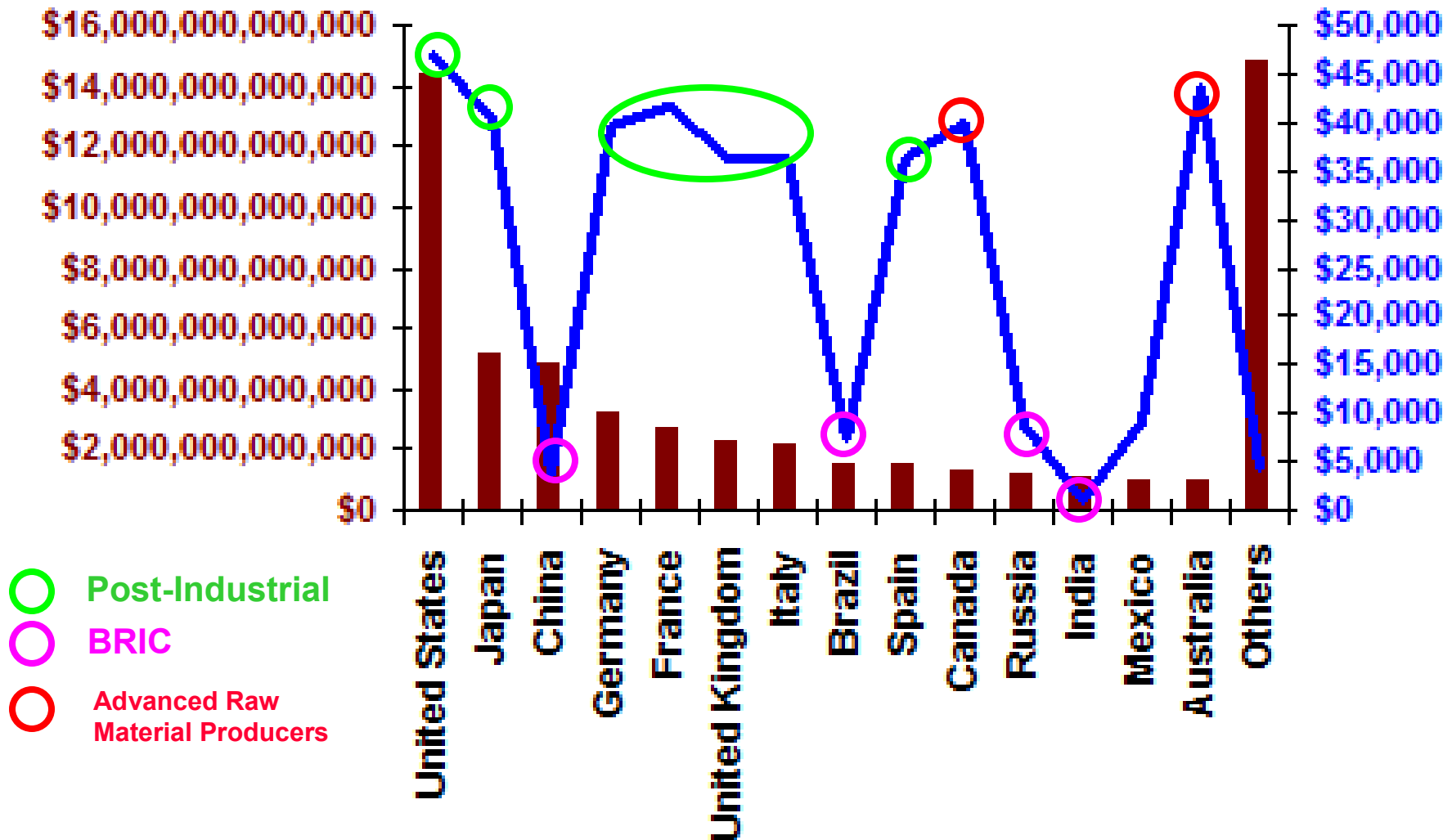
March 2011



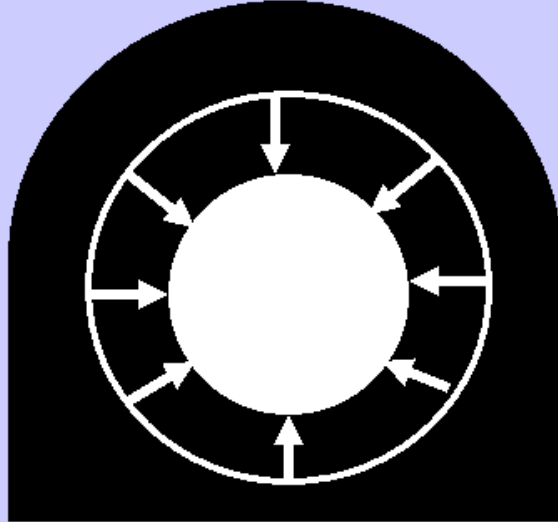
- PP Value tied up by 4 month hold
- Monthly Value of Financings
- Traded Value as % of Timebomb
- Monthly Value Traded

Gross Domestic Product (\$58.1 trillion)

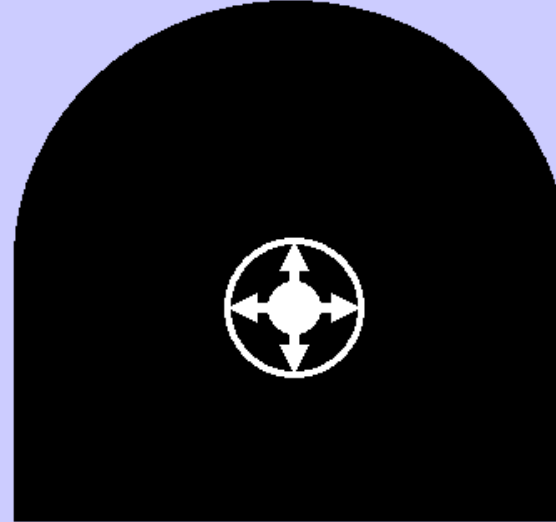
■ GDP (Official Exchange Rate) — GDP Per Capita



Source: CIA World Fact Book 2009



1 Billion OECD



3 Billion BRIC

Thank You

www.KaiserResearch.com