

Historic Rare Earth Boom

Special Report

The Next Molycorp... at 30 Cents?

It's happening again...

Another real, live boom is unfolding in the small, obscure plains of America...

And it's turning a small group of investors into "overnight millionaires."

Yet this time, it's not oil. It's not natural gas. It's all about rare earth...

And it's only a matter of time before "majors" swoop in for a piece of a \$50 million company with a tight grip on a \$30 billion treasure.

Just as the Bakken sent an unknown stock called Brigham (BEXP:NASDAQ) from \$1 to more than \$40 in years... turning landowners and small drillers into multi-millionaires.

And just as Marcellus took towns from rags to riches of economic growth...

A small town of Elk Creek, Nebraska, home to 112 residents, may be next to boom... and boom big. And that's because it's sitting on, what may be, the largest, untapped rare earth deposit on the planet.

In fact, according to the US Geological Survey:

"The Elk Creek carbonatite, located south of Lincoln, has the potential to be one of the largest global resources of niobium and rare earth elements (REE)...[it] is buried beneath about 500 feet of overlying rock and is known only from drill cores, which, until recently, have remained proprietary."

And for an area where one in seven lived below poverty, this could be big. Not only could it bring in millions to the region, it could easily create hundreds of new jobs.

You see, if all goes according to plan it'll create another round of patient millionaires... like we saw in the Bakken region.

It took Brigham close to three years to run from \$1 to more than \$40. And chances are good, it could happen to this 30-cent company, named Quantum Rare Earth (QREDF.PK or QRE.V)

Then again, what do I know?

I only just got off two 40-for-40 stock runs in under three years, including an 84% gain I just banked in under a week.

But it's not just the rare earth find here that has us excited...

It may also be the world's largest resources of niobium...

You can't build a jet engine without niobium...

Heck, you really can't build many military and defense applications without it.

And that's a problem... because the US currently imports 100% of that resource, of which there are no real substitutes.

But should Elk Creek hold as much niobium as we think, the area could explode... and explode big, taking a 30-cent stock to the moon.

Here's what makes it even more exciting, though.

High-grade niobium is explosively lucrative. The two mines in Brazil and the one in Canada rake in more than a billion dollars, collectively, every year.

Imagine if a small 30-cent company raked in that kind of money...

Slaves to China...

Just as we explained [here](#), China still has a stronghold on rare earths...

And it's not as if they're making it any easier.

Threats to reduce export quotas even more have companies, like General Electric shaking in their boots, warning that "further significant price adjustments of its product may be unavoidable" with China's dominance.

Dysprosium oxide, which we mentioned in our 2011 second-half outlook, already ran from \$1,470 an ounce from \$740 in just months. Europium oxide – an element found in plasma televisions and light bulbs – flew to \$4,300 a kilogram from \$1,300.

And although rare earth prices have shot to historic highs, the real possibility of a price pullback isn't likely. And that's because of tight supply, and China's unshakable dominance.

Look, the era of cheap rare earth is over...

Surging demand for rare earths, coupled with emerging markets, will lead to even less supply, leaving us with little wiggle room.

We must secure new supply, or risk a very real threat to our electronic way of life.

We already have Molycorp (MCP:NYSE) working to start up its Mountain Pass mine in California. Elissa Resources (ELI.V and ELSRF:PINK) is working feverishly on its heavy rare earth find just miles from Mountain Pass.



And now we have a small 30-cent company, named Quantum, that hopes to complete pre-feasibility studies by early 2012.

Final Thought

Please note that this trade is only meant for patient investors.

This is not a stock you can buy and sell in just days. It must be held long-term...

Brigham didn't run from \$1 to \$40 overnight... But it did produce some happy, patient millionaires.

Stay Ahead of the Herd...

Ian L. Cooper
Analyst, *Wealth Wire*

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