

Stock Pick of the Week # 25, February 11, 2010 AD

This week's pick is Rare Element Resources Ltd. The stock trades on the TSX under the symbol RES.V. It is available as a pink sheet stock under the symbol RRLMF).

Rare Element Resources has discovered what is likely to be the largest concentration of Rare Earth Elements (REEs), in North America. The site is Bear Lodge in Wyoming. China dominates the REE market and without REEs all of our hi-tech industries would grind to a halt. The expectation is that the US Army will become interested in RES.V, since without REEs you can't fight a war. Should China stop exporting REEs, the West would be severely handicapped.

In addition to REEs the company has also found gold and was able to convince Newmont to become its JV partner. For more information visit the website:

www.rareelementresources.com

The stock closed on February 11th at 3.45.



Featured is the daily bar chart for RES.V. Price is rising within a bullish channel and has just bounced off support at the 200DMA. The RSI is at its support level. The 50DMA is

in positive alignment to the 200DMA (green oval). The MACD at bottom of chart is showing signs of bottoming.

Here is a review of Picks #1 - #24:

- #1 CPQ.V (CPQRF) at 2.01; Bought 08/13/09 sold 11/19/09 at 3.45, profit = 110%
- #2 CGC.TO (CGLD.BB), Bought 08/20/09 at 0.60; sold 11/4/09 at 0.94, profit = 36%
- #3 SVM.TO (SVM) Bought 08/27/09 at 3.74, sold 10/20/09 at 5.98, profit = 60%.
- #4 SCP.TO (SCPZF) at 3.10; Bought 09/03/09, sold 02/02/10 at 4.48, profit 1.38 = 44%.
- #5 FCG, bought 09/10/09 at 14.88; sold 10/20/09 at 18.69, profit = 25%.
- #6 MAG.TO (MVG) bought 09/17/09 at 5.55, sold 12/02/09 at 7.48, profit = 35%
- #7 ARZ.TO (AZK) at 4.60, last traded at 4.25.
- #8 IPT.V (ISVLF), at 0.88, last traded at 1.10.
- #9 RUN.V (RFXRF) at 0.22, last traded at 0.155.
- #10 KCL.TO (KCLOF) at 2.74, last traded at 3.13.
- #11 GPD.TO (GPRXF) at 0.59, last traded at 0.60.
- #12 GBG.TO (GBG) at 1.71, last traded at 1.78.
- #13 PGF/UN.TO (PGH) at 10.26, last traded at 10.98.
- #14 CHE/UN.TO (CGIFF) bought 11/12/09 at 9.12, sold 01/11/10 at 12.48; Pr = 36%
- #15 GAS.TO (CYMF) at 4.97, last traded at 5.21.
- #16 GOZ.V (GREXF) at 0.50c, last traded at 0.53.
- #17 AOG/UN.TO (BAOGF) at 4.60, last traded at 4.71.
- #18 GDXJ at 26.14; last traded at 24.59.
- #19 SBT/UN.TO (SVRZF) at 12.92; last traded at 11.85.
- #20 MAG.TO (MVG), at 6.58, last traded at 5.93.
- #21 SVM.TO (SVM), at 7.09; last traded at 6.53
(SVM paid a monthly dividend Jan 21 of 2c/share).
- #22 R.V (RTRAF) at 1.51; last traded at 1.56
- #23 CGC.TO (CGC) at 3.20, last traded at 3.65
- #24 SGR.V (SGRCF) at 3.27, last traded at 3.69

7 Picks have been sold at profits ranging between 25% and 110%, all within 5 months of purchase. 11 picks are trading above the introductory price and 6 are available at or below the starting price. There are some true bargains among these 7, since gold and silver have corrected substantially since they were picked.

The success ratio is 18 to 6, (despite the washout of Feb. 4th).

Subscribers are notified as soon as we take a profit.

We encourage investors not to 'chase' these picks, but to try to buy them at or below the price at which they were introduced. The goal is to buy low and sell high! As long as a 'pick' remains as part of this list, it is an indication that we still like it, even if it slips below the price at which the stock was first listed.

Whenever you buy a stock at its pink listing (the five letter symbols), always be 'price-specific' to avoid ending up with a bad fill.

To be notified when we take profits, all you need to do is become a subscriber. (The cost is less than \$1 per week). For details click on 'how to subscribe.'

DISCLAIMER:

Please do your own due diligence. Investing involves taking risks. I am NOT responsible for your trading decisions.

Happy trading!

Peter Degraaf

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