

2010 World Resource Investment Conference

Toronto, Canada

September 26, 2010

Presented by John Kaiser

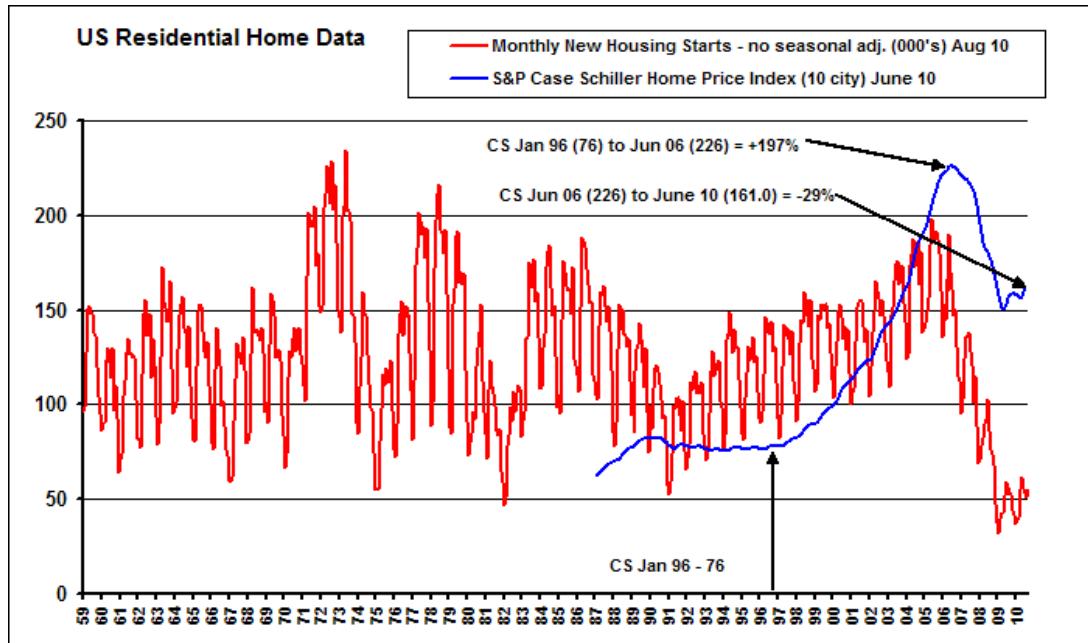


The Doom & Gloom Bubble

www.KaiserBottomFish.com

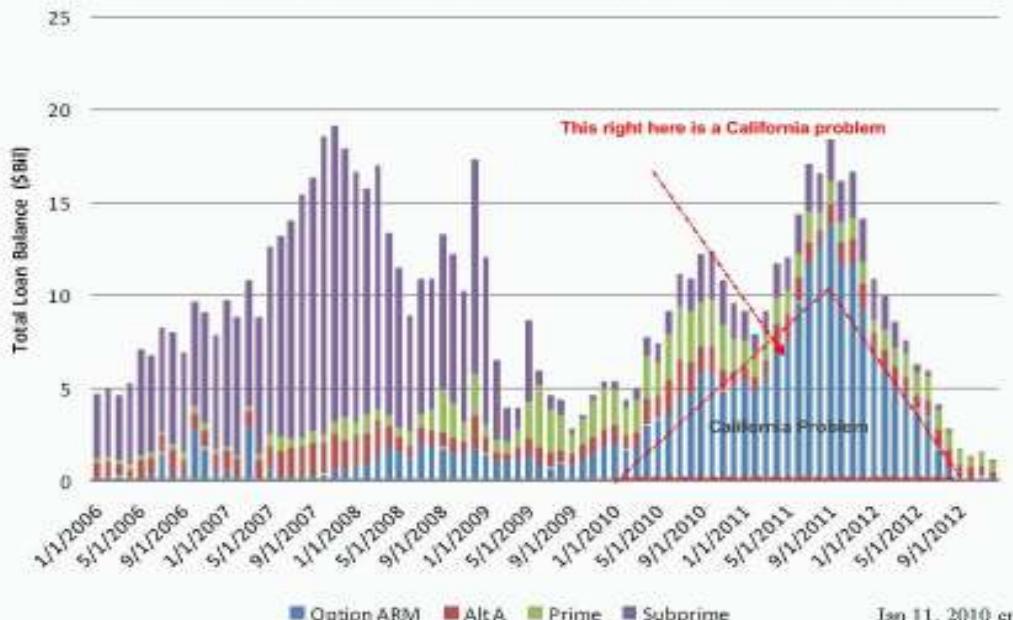
Bubble here, Bubble there, Bubble everywhere





Source: DrHousingBubble.com

Total Loan Balance That Will Experience Payshock

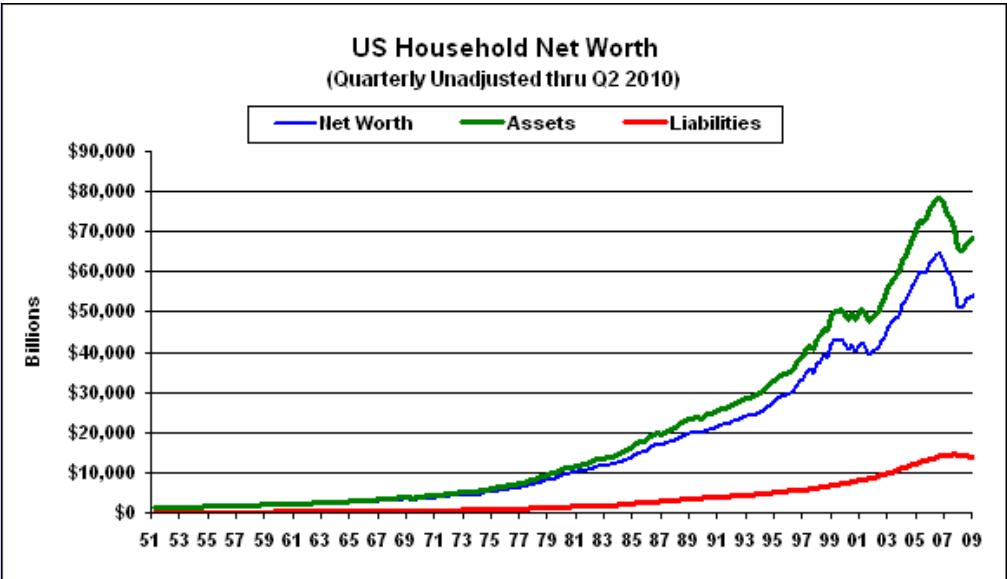
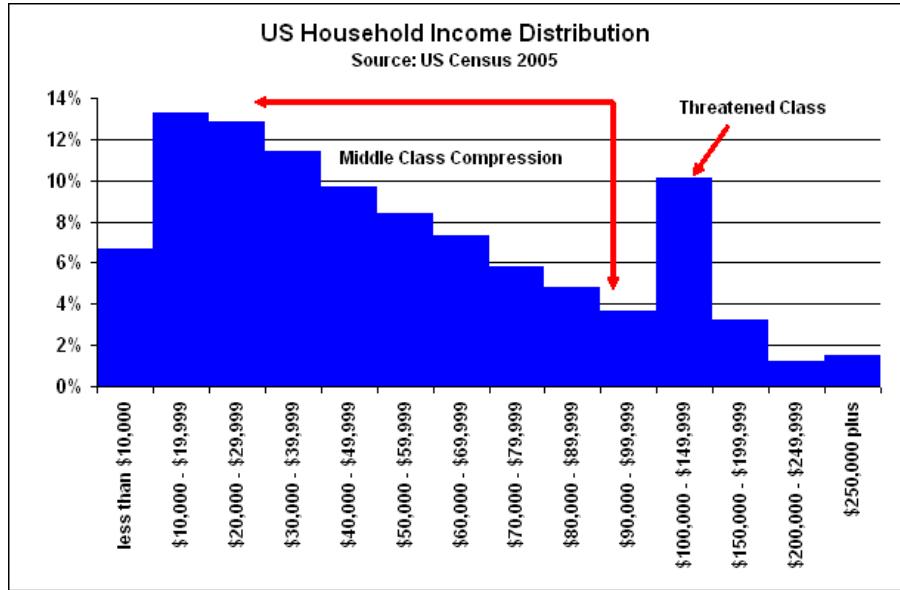


Source: Loan Performance, Amherst Securities

Amherst' Securities Group LP

The End of the American Dream: Mortgage securitization creates a Global Real Estate Bubble and a Consumption Boom by dissolving the traditional self-regulating relationship between lender and borrower. The result: Game Over.

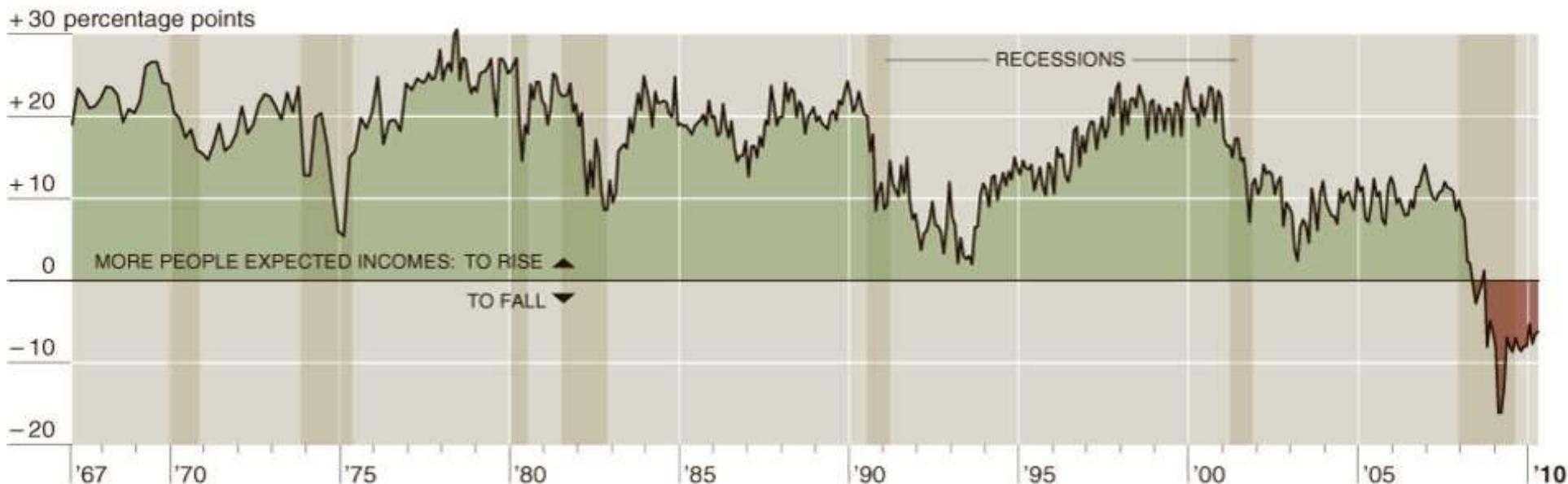




Can the United States recover from the rupture?

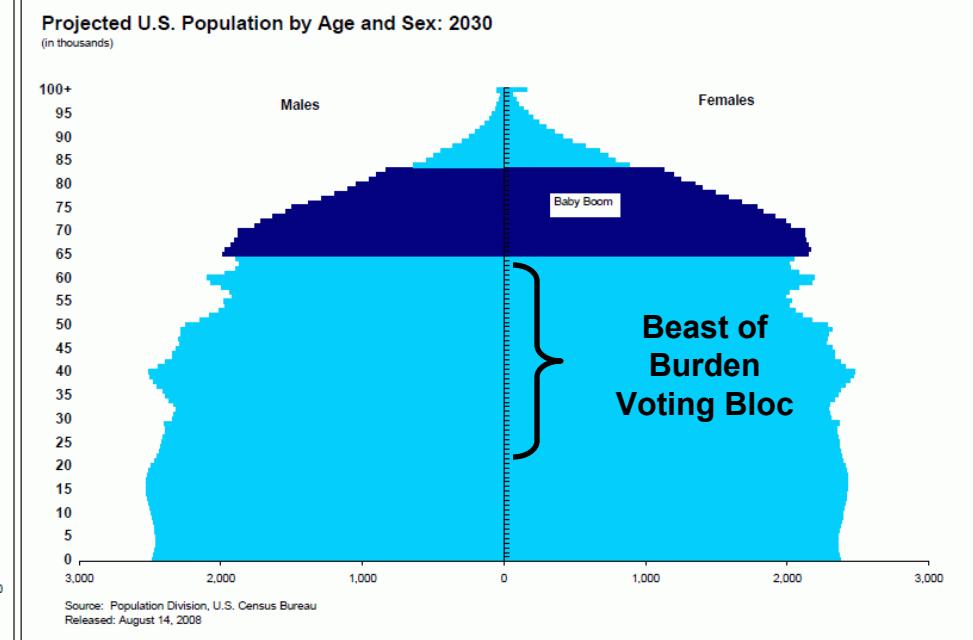
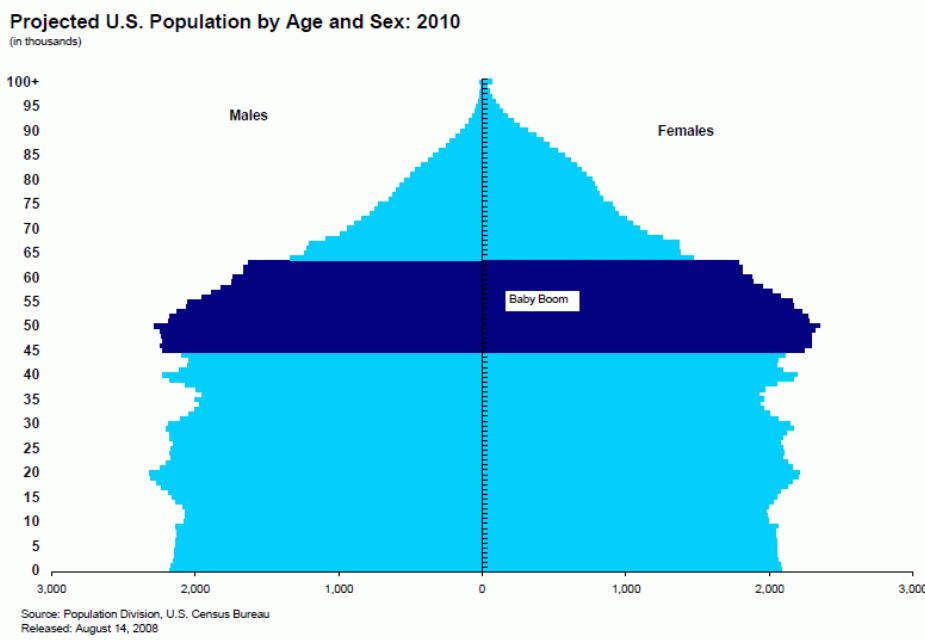
The Depths of Pessimism

Percentage of Americans expecting their family's income to rise over next six months, less percentage expecting a decline.



Intergenerational Warfare?

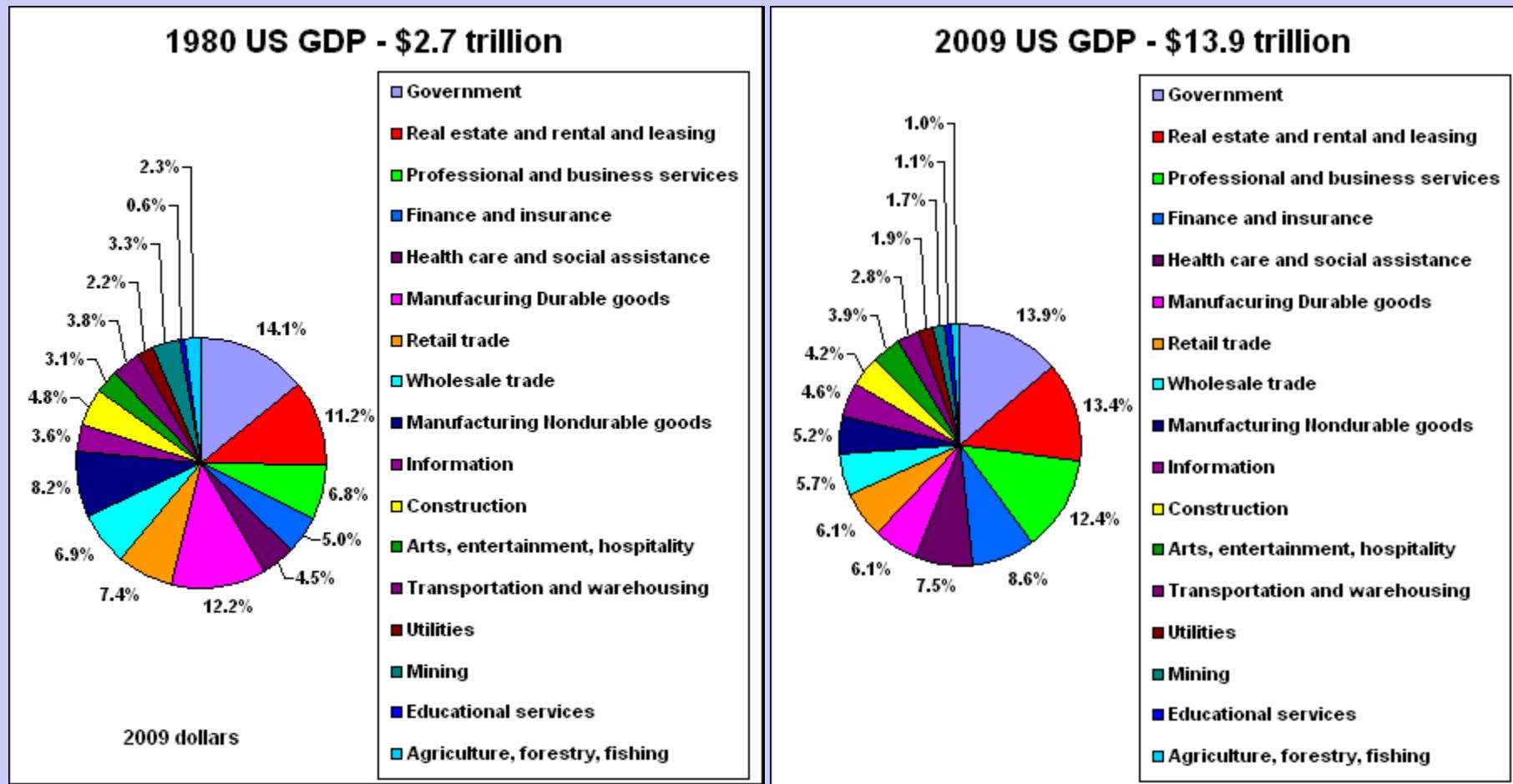
- Boomers born 1946-1964 will all be 65 & over by 2030 and be 20% of US population
- Boomers have high social security entitlement and longevity expectations
- Boomers will control much of existing real estate & equity wealth
- Minorities 18-64 will be 46% of population by 2030
- How will this resource allocation problem be resolved?



The Future of America?



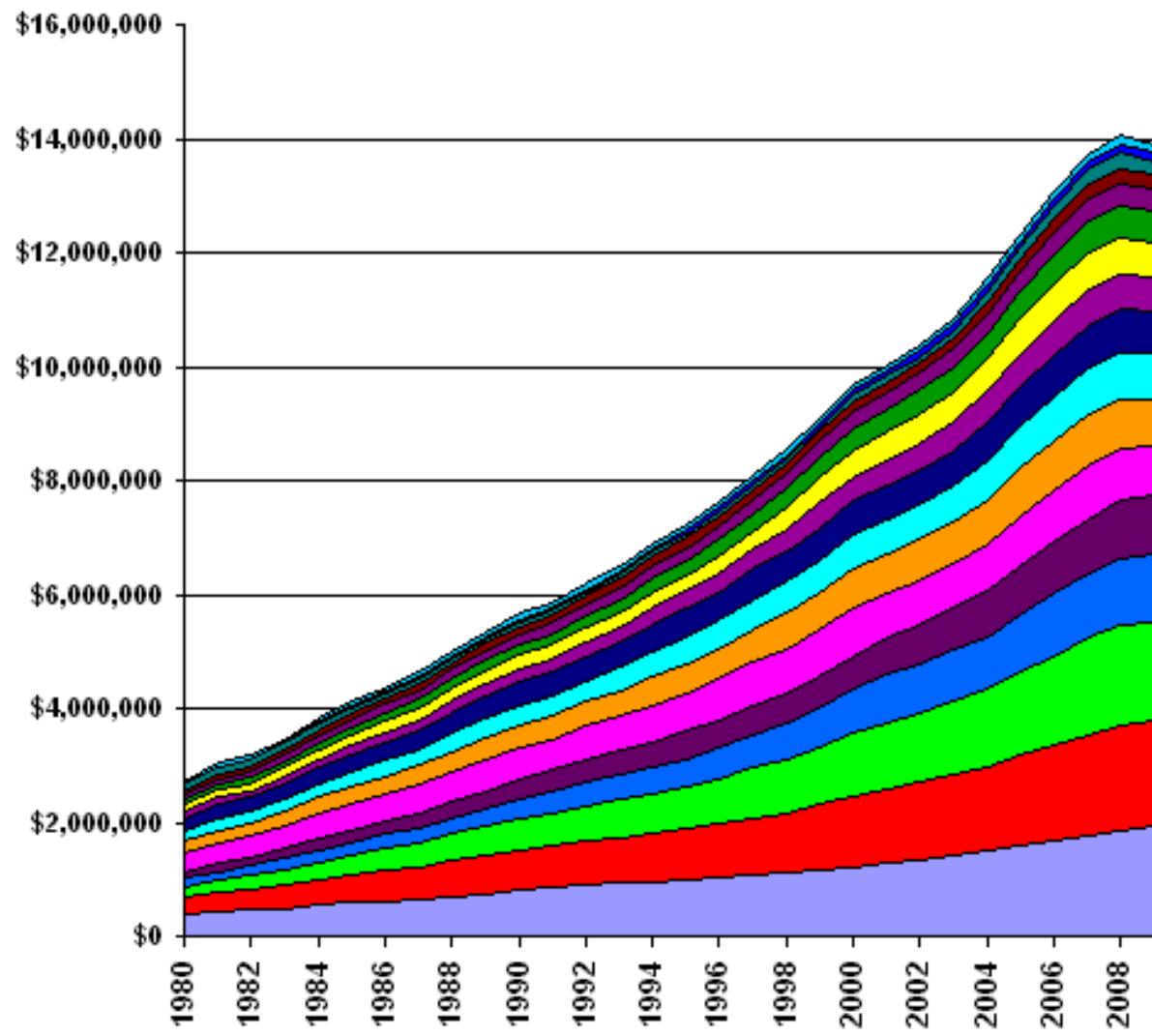
“Big” Government is not the Problem



**Systemic looting by the Economic
Elite is the Problem**

50% of US GDP accomplishes what?

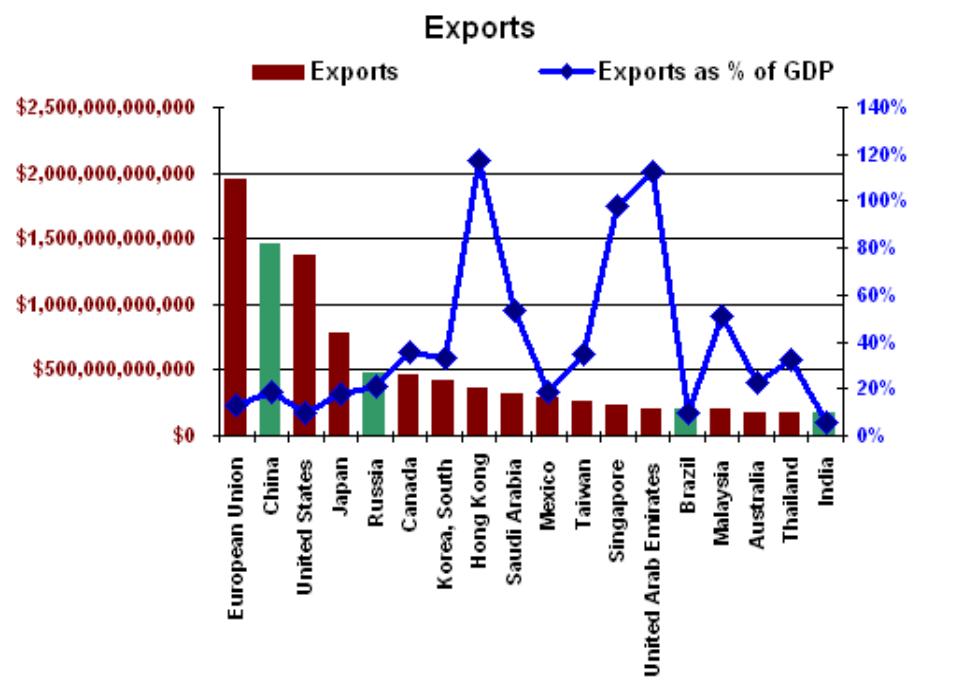
US GDP Breakdown - millions
(current dollars)



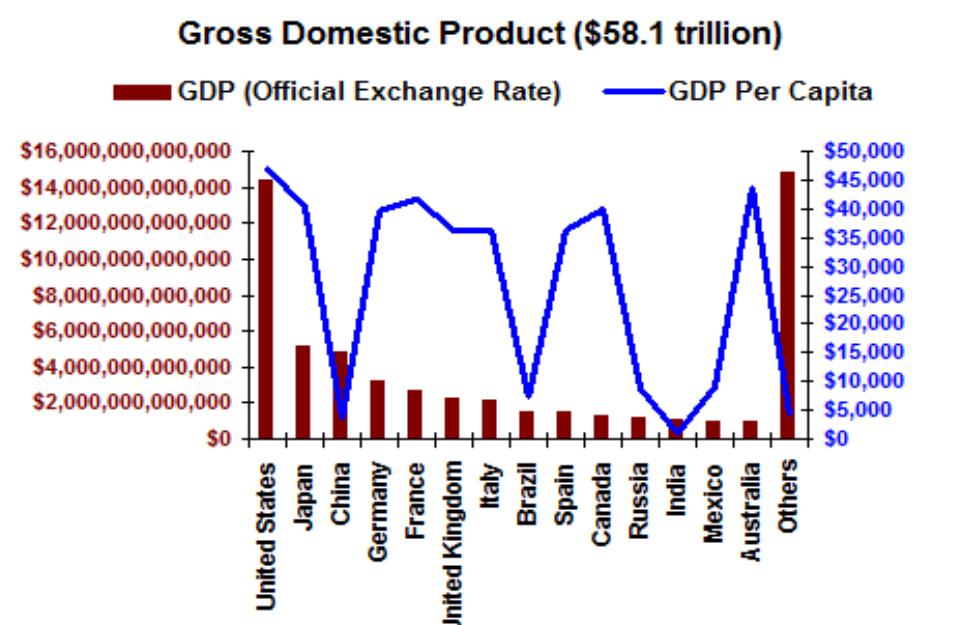
- Agriculture, forestry, fishing
- Educational services
- Mining
- Utilities
- Transportation and warehousing
- Arts, entertainment, hospitality
- Construction
- Information
- Manufacturing Non-durable goods
- Wholesale trade
- Retail trade
- Manufacturing Durable goods
- Health care and social assistance
- Finance and insurance
- Professional and business services
- Real estate and rental and leasing
- Government

The Chinese Anomaly

- Hybrid central command economy with outsourced production
- Cheap Labor – urbanization of 1 billion rural Chinese unleashed by the end of orthodox communism
- No Health & Safety for Workers
- No environmental emission controls
- No Unions to secure medical or pension benefits
- US Dollar Peg: the devil's bargain of maintaining an undervalued renminbi by bankrolling the US trade deficit through the accumulation of US treasury debt
- FDI: foreign direct investment and technology transfer

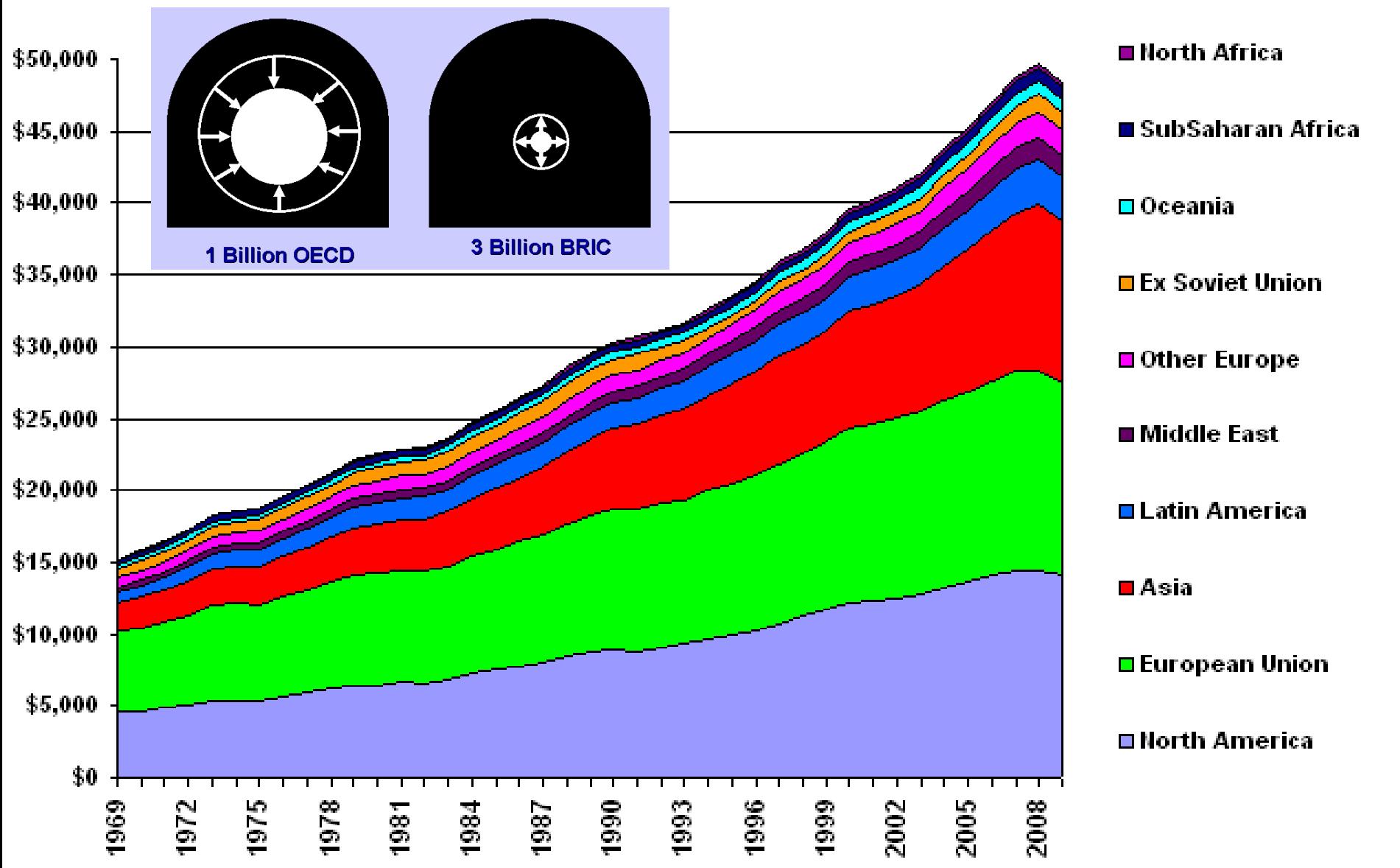


Source: CIA World Fact Book 2008



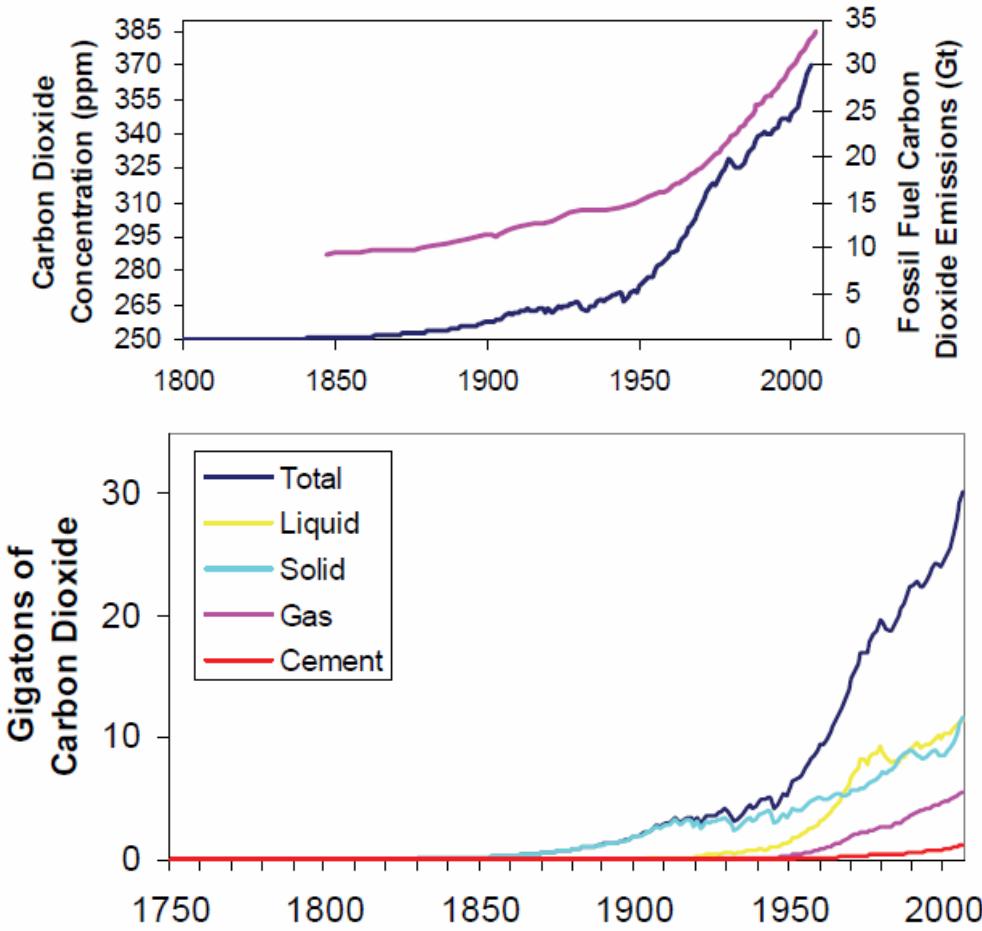
Source: CIA World Fact Book 2009

GDP in 2005 US dollar - billions



Anthropogenic Carbon Loading & Climate Change

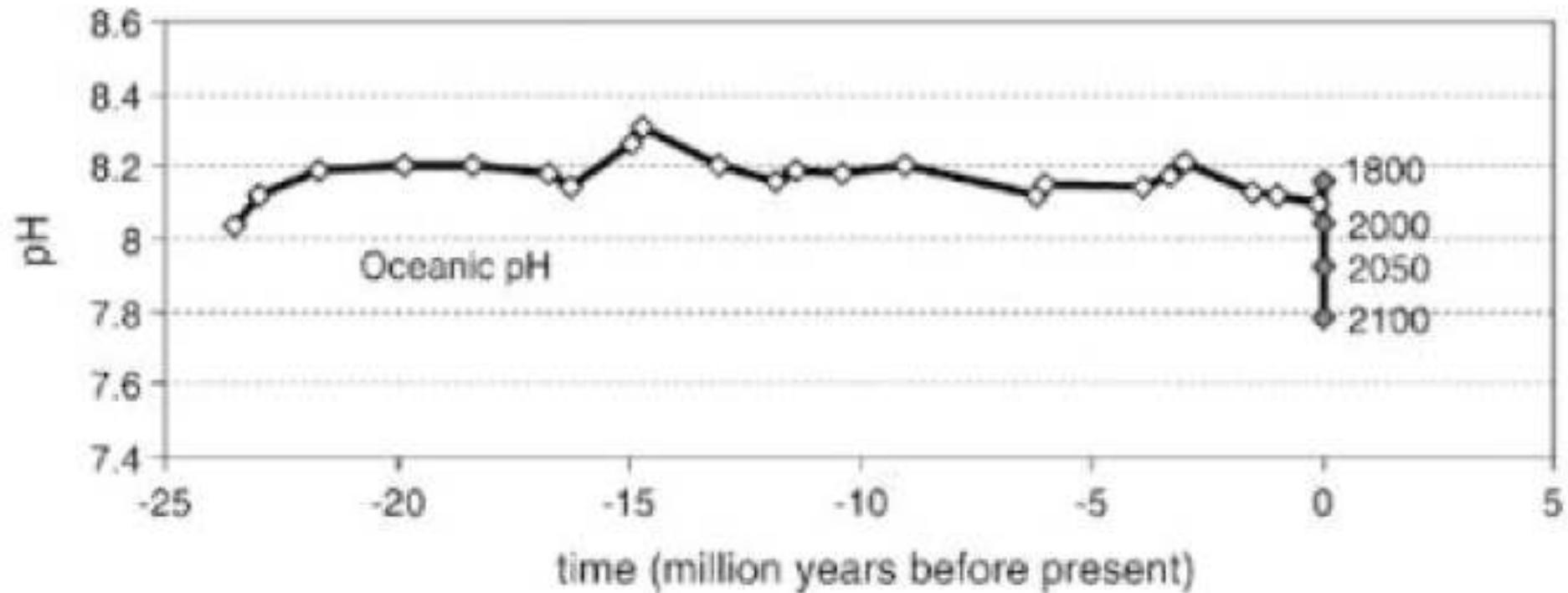
Through technology we have created a rapid change of base planetary conditions which in the past have been achieved only through catastrophic events. It's less about global warming trends and more about reaching tipping points with chaotic outcomes.



It's the rapid rise to unprecedented CO₂ levels which is the problem, not “global warming”!



25% increase in ocean acidity is resulting in a declining capacity to act as a carbon sink through shell formation.



Rapid acidity change couple with rising ocean temperature threatens to destabilize the ocean ecosystem and collapse the food chain. Enjoy your sushi while you can.



Net Takers

Net Givers

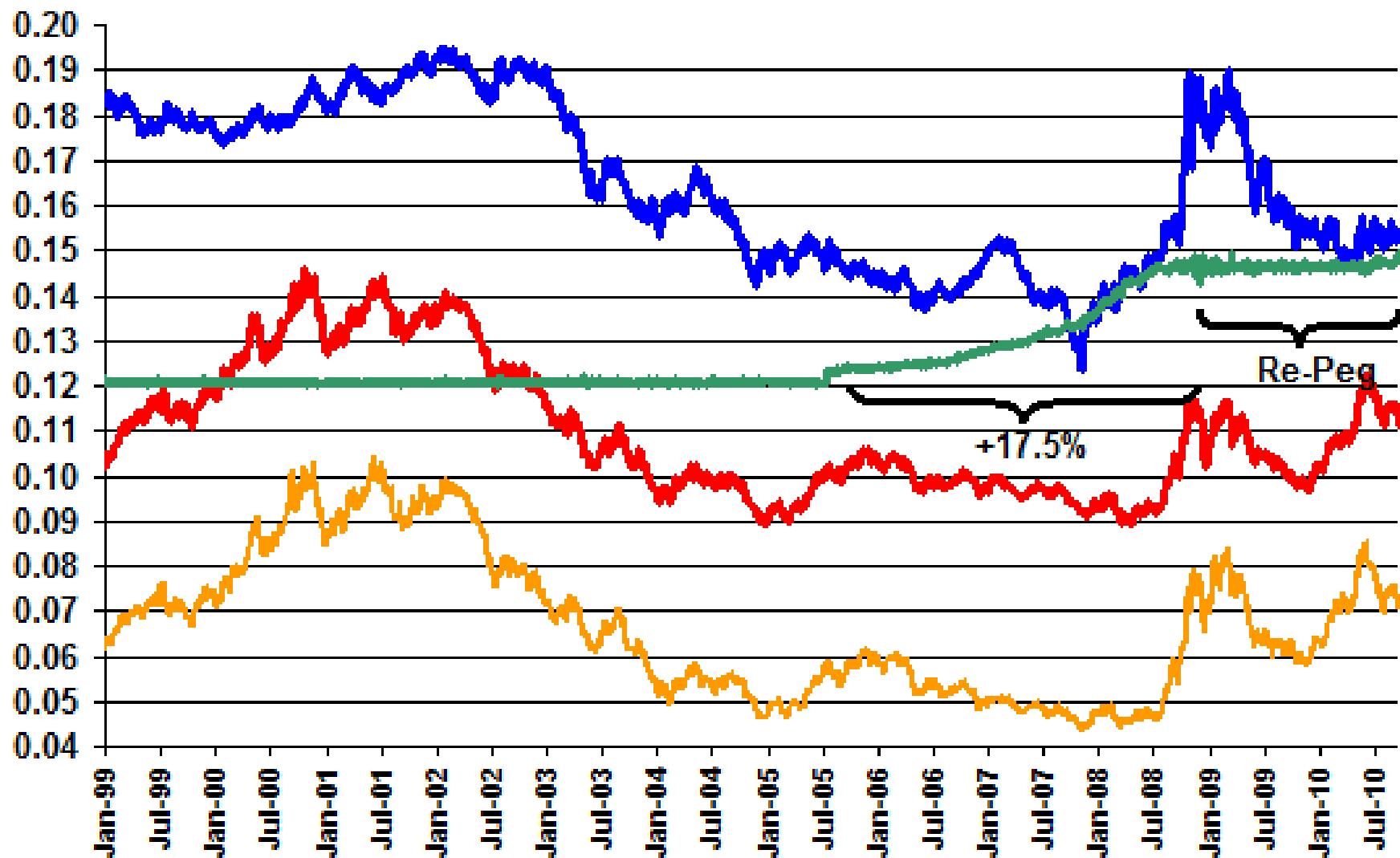
Zero Summers

Are you a Cost Dumper?

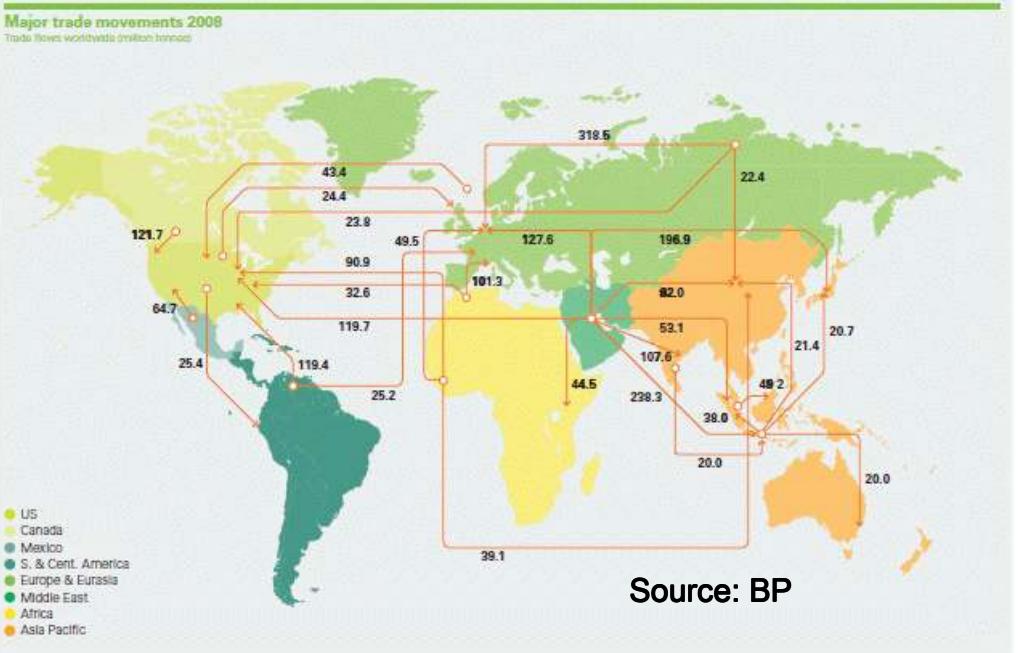
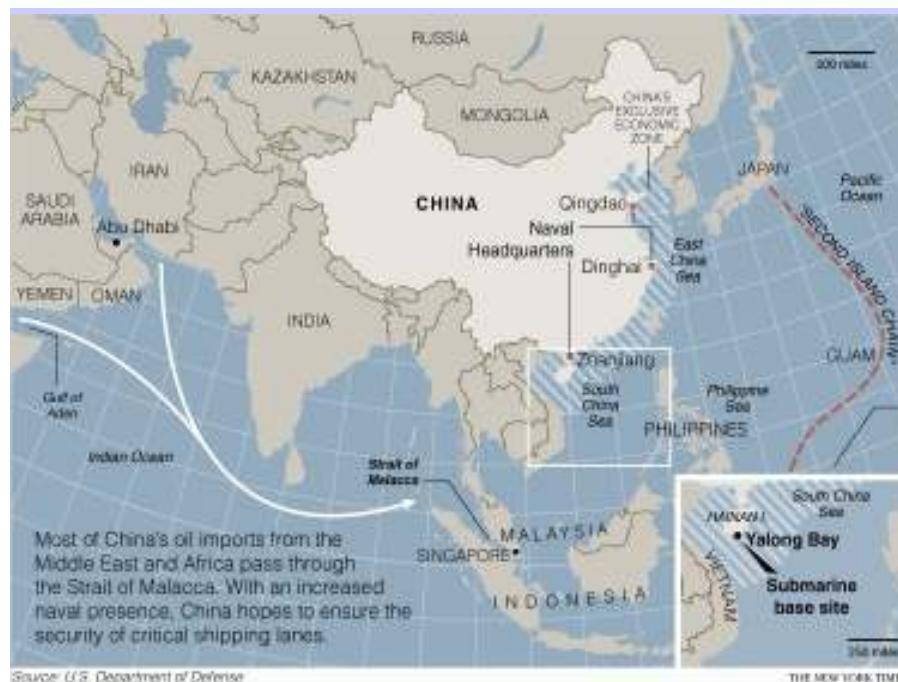
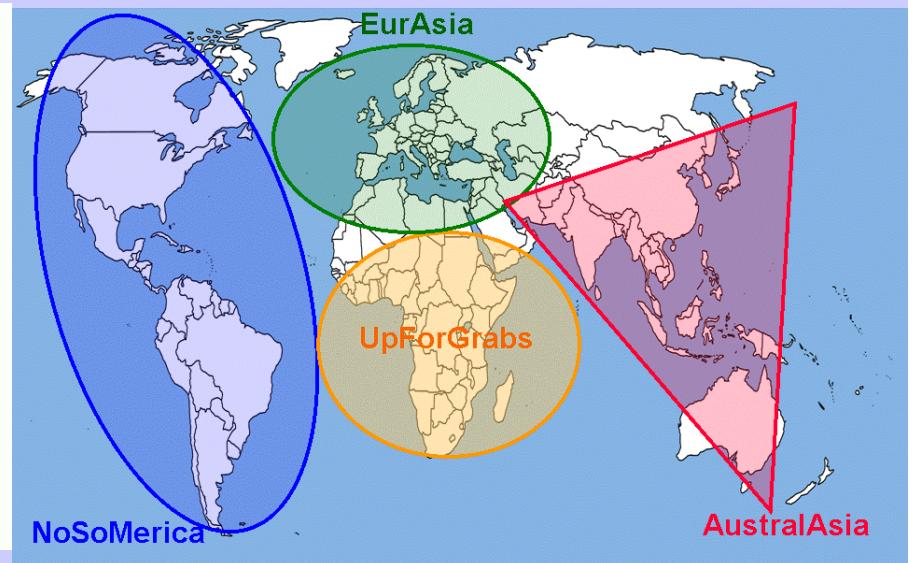
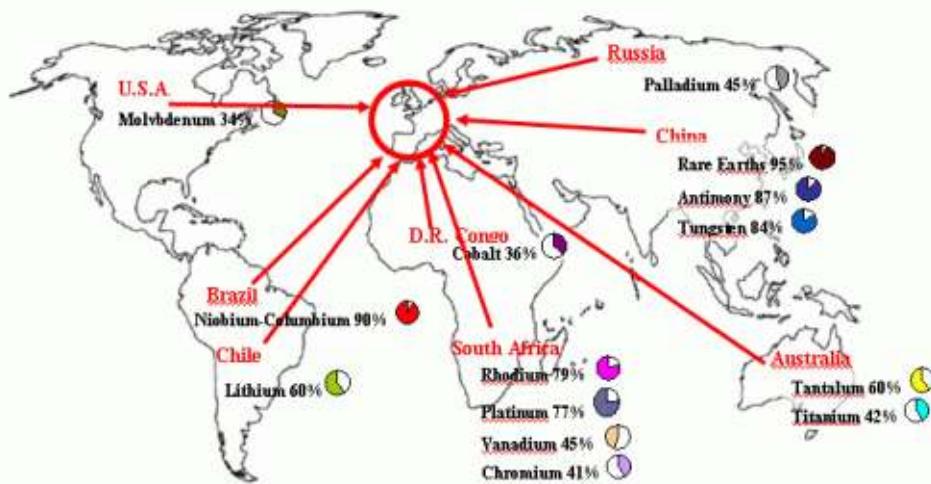
Currency Exchange Rates

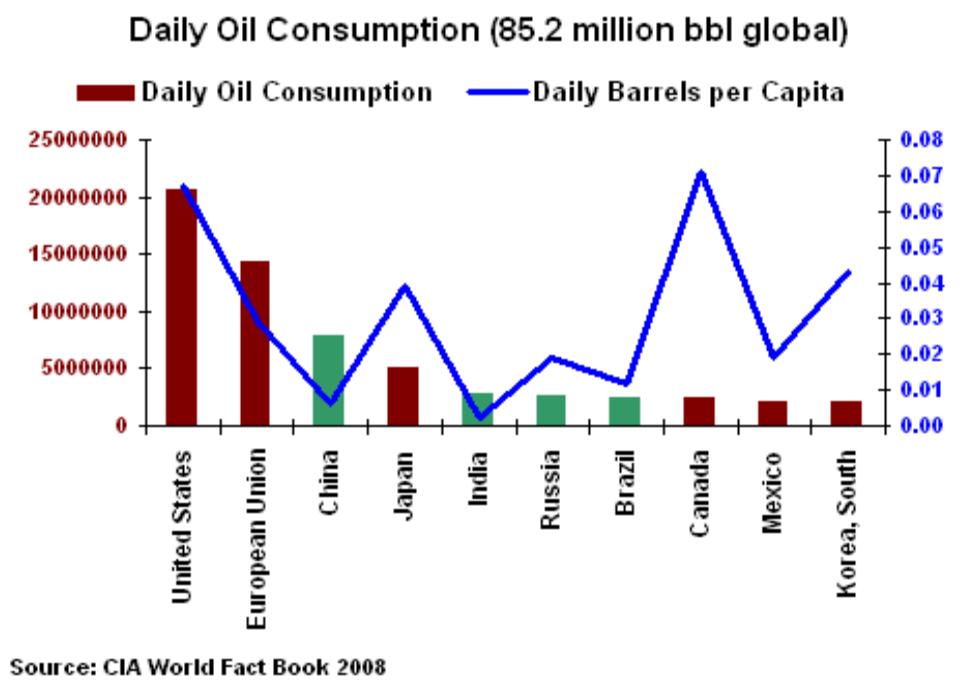
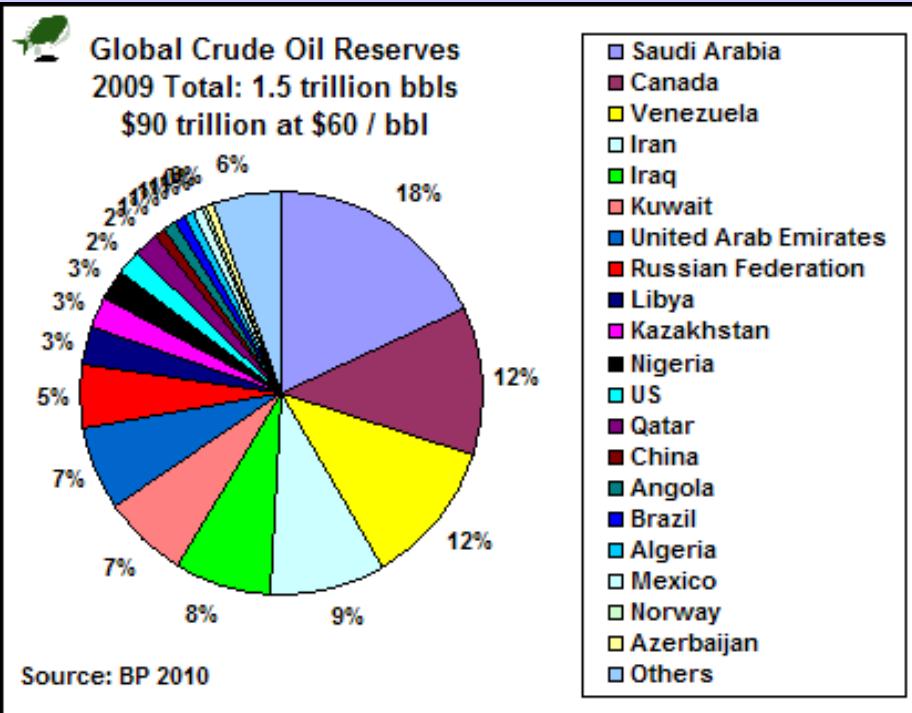
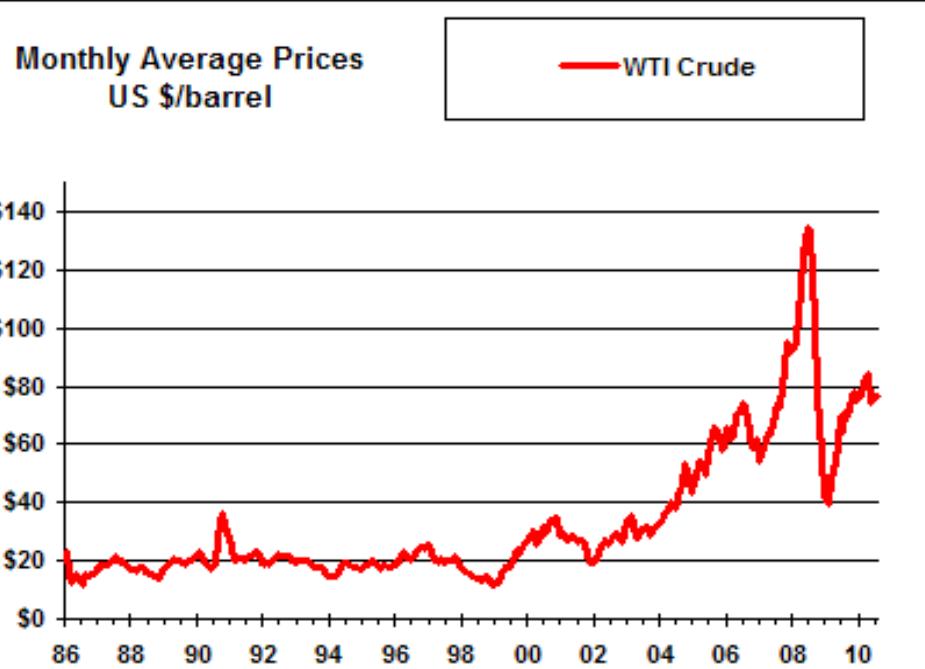
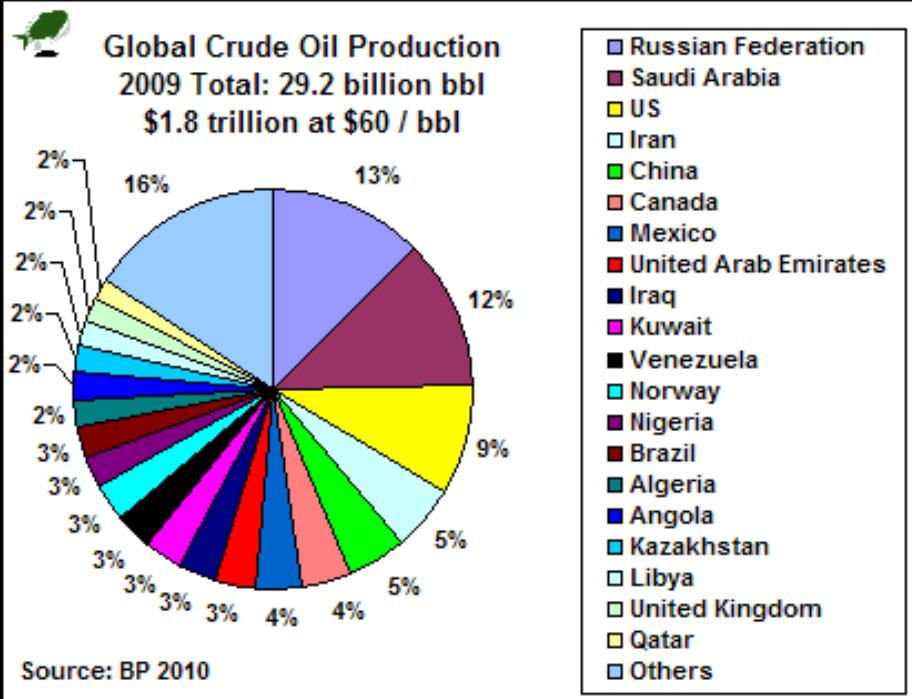
Per Chinese Renminbi (Yuan)
(Downtrend = weakening RMB)

- Euro:RMB
- CAD:RMB
- USD:RMB
- GBP:RMB



Raw Material Supply Channels

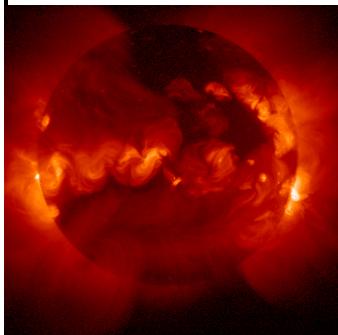
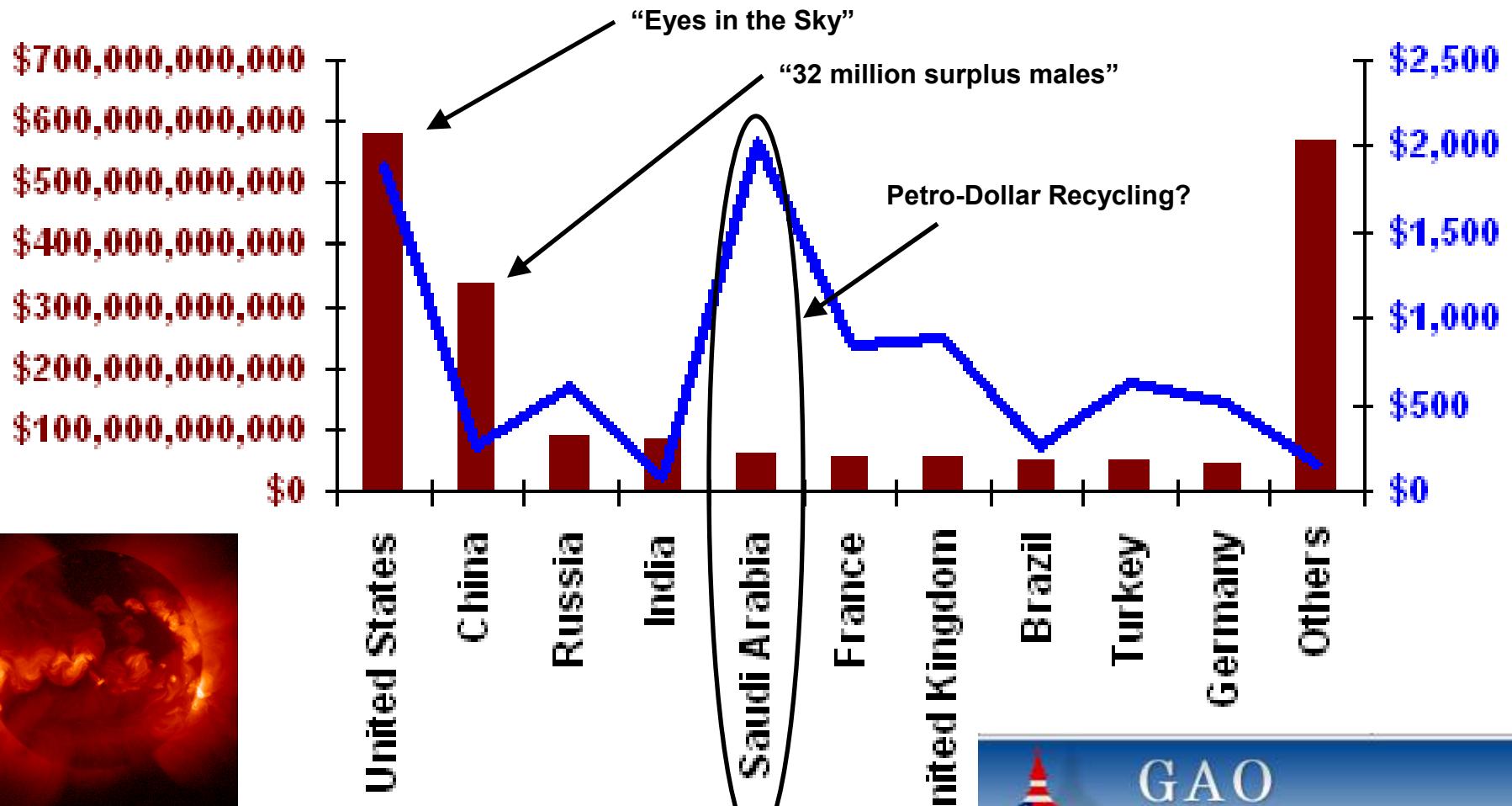






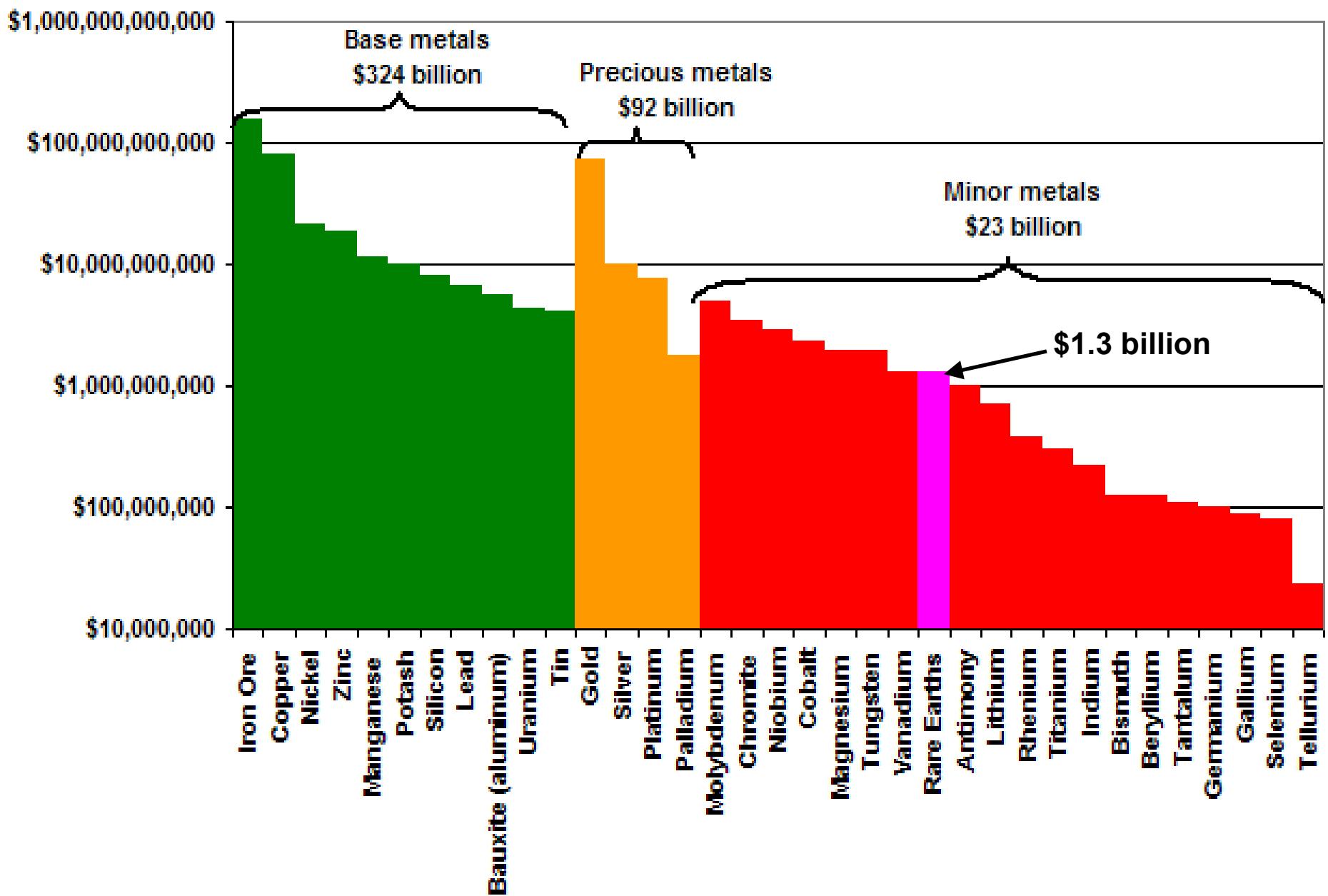
Annual Military Expenditure (\$1.4 trillion)

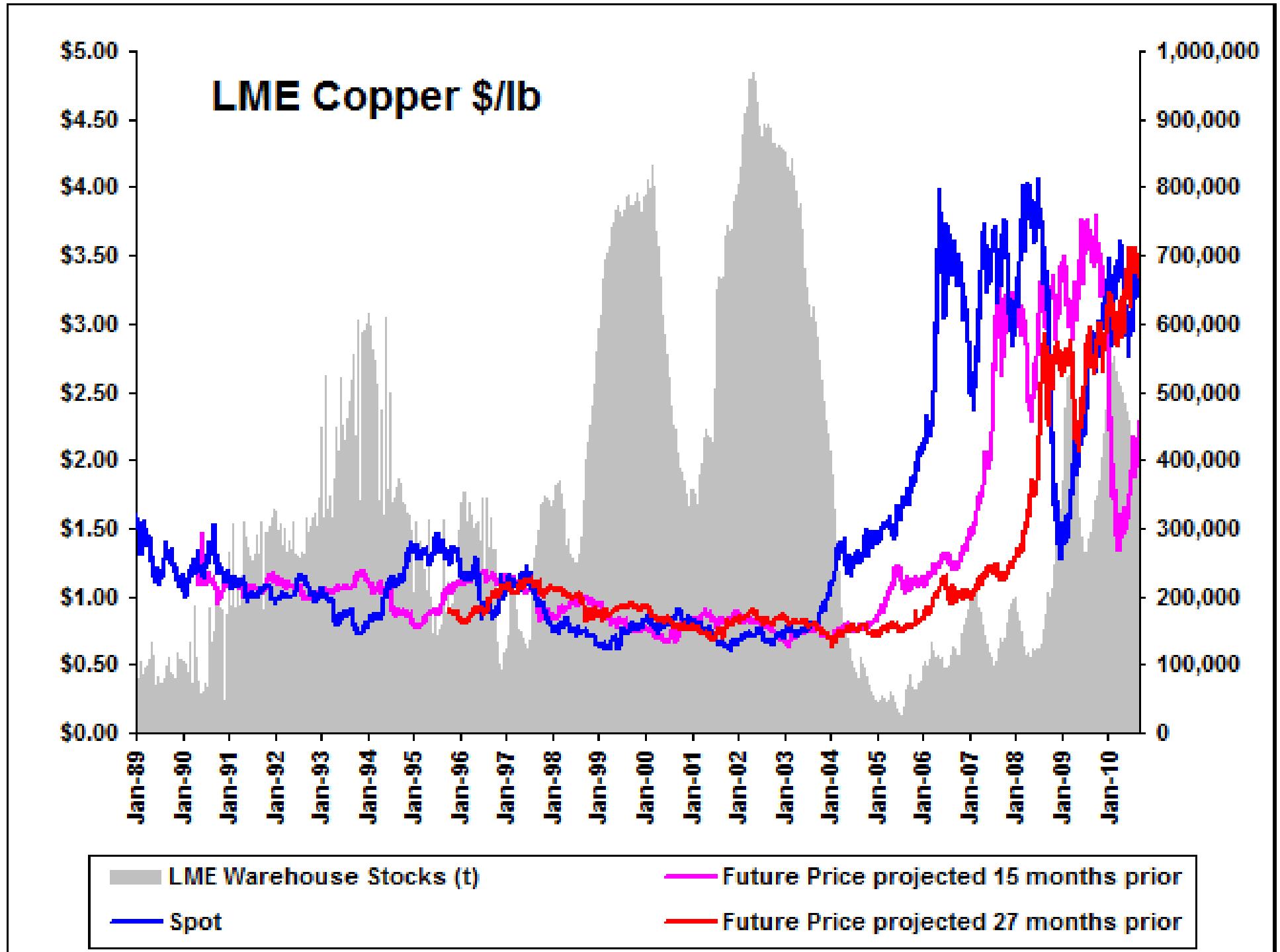
■ Total Expenditure — Per Capita Expenditure

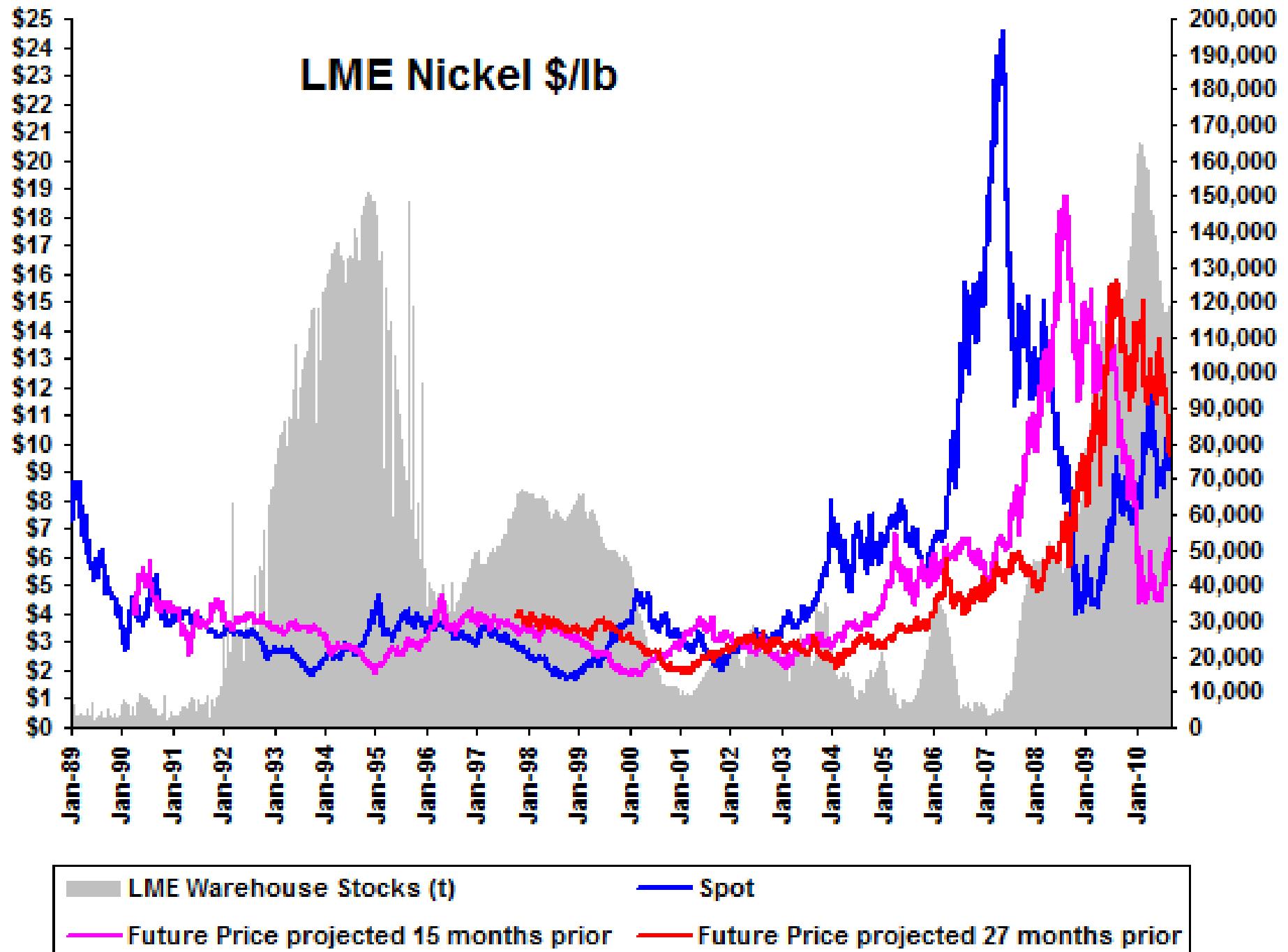


Source: CIA World Fact Book 2008

2009 Global Production Value
(Based on average annual price & USGS production estimates)





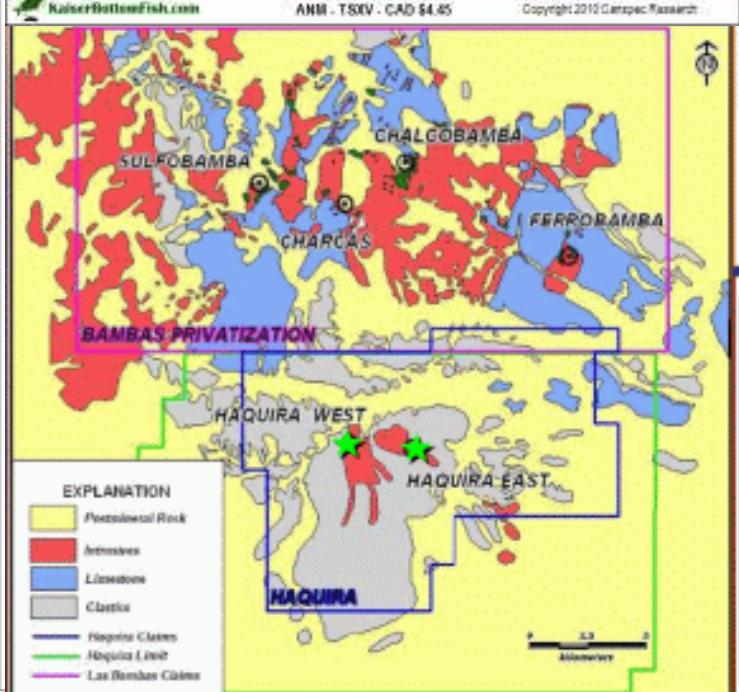


Copper – Antares Minerals Inc

Project Resource Estimate - Haquira East Oxides							
Feb 26, 2010	NI 43-101	John Rozelle, Tetra Tech Inc, Golden, CO				Cutoff: 0.2% Cu	
Resource Category	Tonnage	Total Rock Value	Metal	Grade	Recovery	Contained Metal	% of GMV
Measured+Indicated Resource	84,050,000	\$35/t	Copper	0.507%	100.0%	940,188,933 lb	100%
Inferred Mineral Resources	36,500,000	\$34/t	Copper	0.488%	100.0%	392,439,374 lb	100%
All Categories Spot	120,550,000	\$35/t	Copper	0.501%		1,332,628,307 lb	100%



Project Resource Estimate - Haquira East Sulphides							
Feb 26, 2010	NI 43-101	John Rozelle, Tetra Tech Inc, Golden, CO				Cutoff: 0.3% Cu	
Resource Category	Tonnage	Total Rock Value	Metal	Grade	Recovery	Contained Metal	% of GMV
Measured+Indicated Resource	299,900,000	\$53/t	Copper	0.641%	100.0%	4,239,988,316 lb	83%
			Molybdenum	0.015%	100.0%	100,495,591 lb	11%
			Gold	0.0484 g/t	100.0%	466,680 oz	4%
			Silver	1.7835 g/t	100.0%	17,196,786 oz	2%
Inferred Mineral Resources	265,600,000	\$45/t	Copper	0.559%	100.0%	3,272,571,429 lb	86%
			Molybdenum	0.010%	100.0%	59,724,868 lb	9%
			Gold	0.0376 g/t	100.0%	321,080 oz	3%
			Silver	1.6121 g/t	100.0%	13,766,317 oz	2%
All Categories Spot	565,500,000	\$49/t	Copper	0.603%		7,512,559,744 lb	85%
			Molybdenum	0.013%		160,220,459 lb	10%
			Gold	0.04 g/t		787,761 oz	3%
			Silver	1.70 g/t		30,963,104 oz	2%





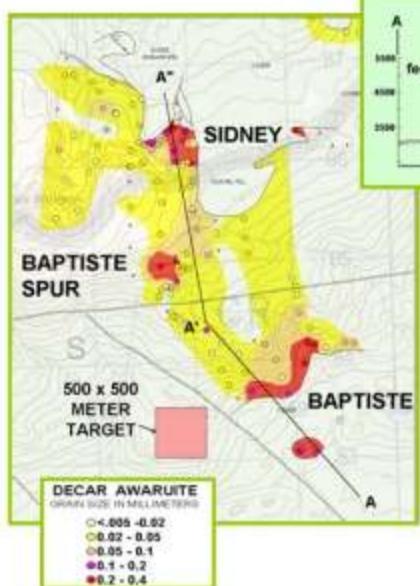
KaiserBottomFish.com

FPX - TSXV - CAD \$0.83

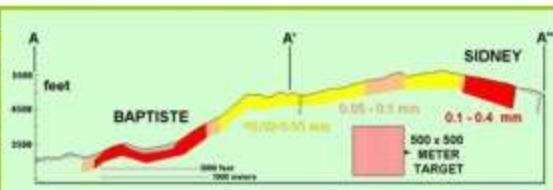
Copyright 2010 Canspec Research

- Cliffs signs option to acquire up to 75% of Dewar by producing bankable feasibility study
- Purchases 15% equity stake in junior with 4 year standstill
- Nickel-iron alloy deposits have low grade but low processing costs that shield the mine from escalating energy and chemical costs to which sulphide & laterite mines are vulnerable
- First Point has proprietary tool to efficiently identify similar deposits open for staking

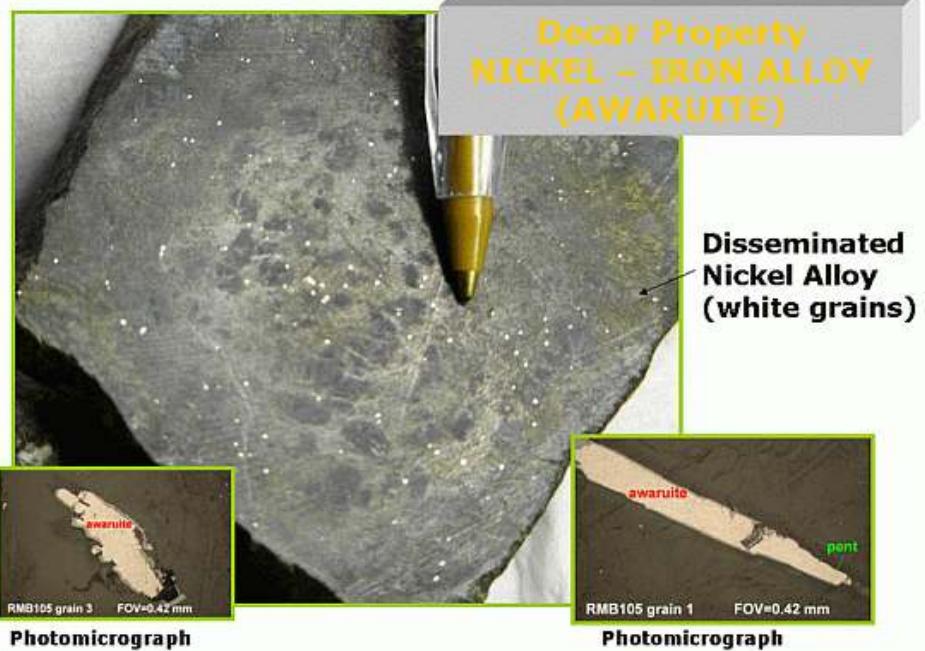
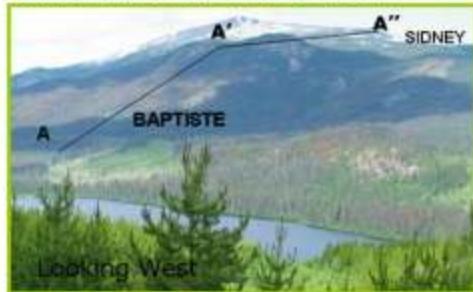
DECAR - SIDNEY & BAPTISTE TARGETS

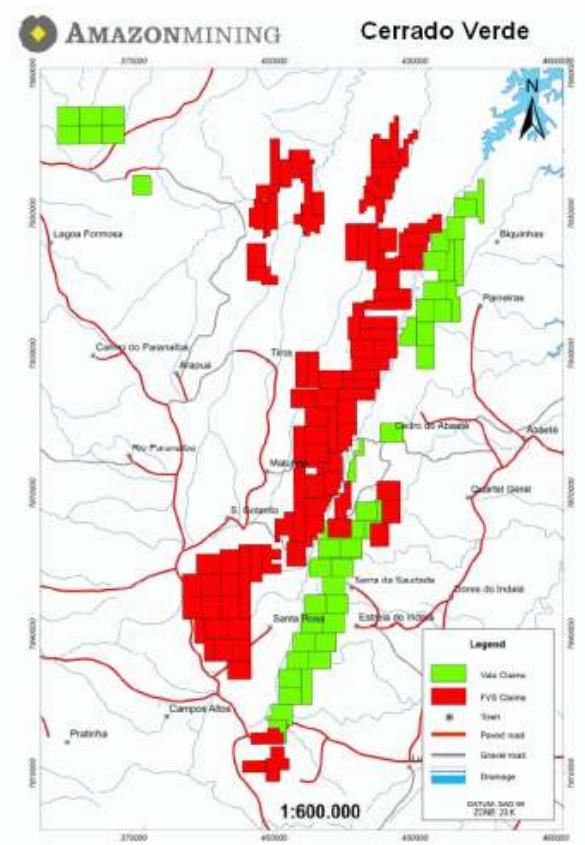


Cross-section A-A''



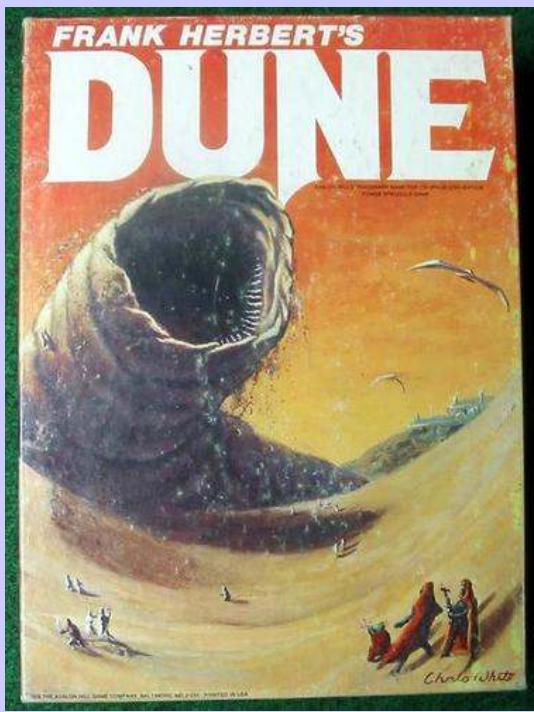
Cross-section A-A'' line located
On adjacent map & photo below





Security of Supply

Melange “spice”



Unobtainium

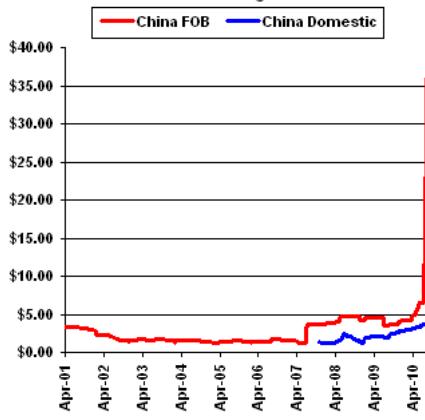


National Research Council: “By critical is meant that the loss, reduced access to, or significant cost increase of a mineral or mineral product, would cause a serious disruption in manufacturing, reduction in performance, or unacceptable price increase, of a manufactured product. “

Rick Rule: “fraudium, scamium...”

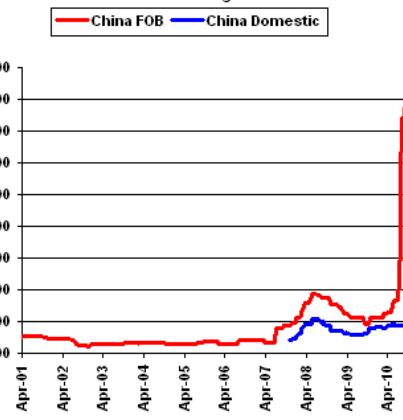
Cerium Oxide 99% \$/kg

Source: Metal-Pages.com



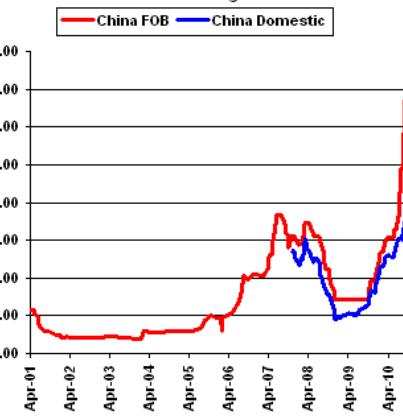
Lanthanum Oxide 99% \$/kg

Source: Metal-Pages.com



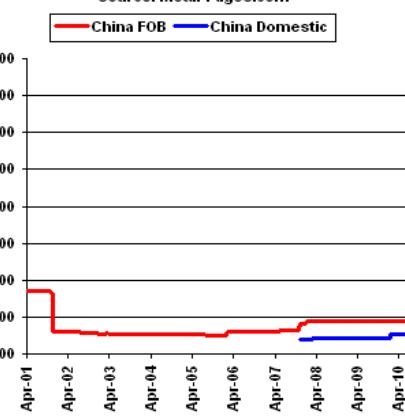
Neodymium Oxide 99% \$/kg

Source: Metal-Pages.com



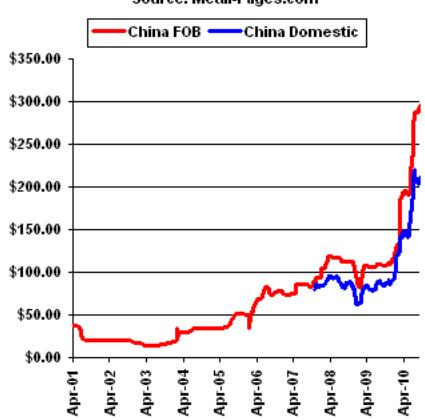
Samarium Oxide 99% \$/kg

Source: Metal-Pages.com



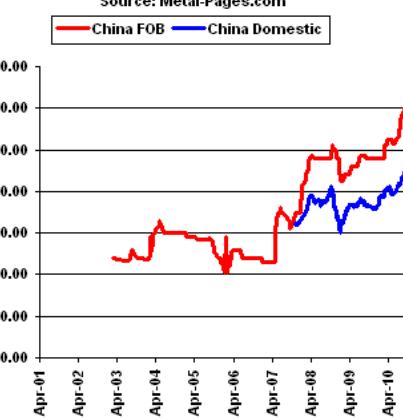
Dysprosium Oxide 99% \$/kg

Source: Metal-Pages.com



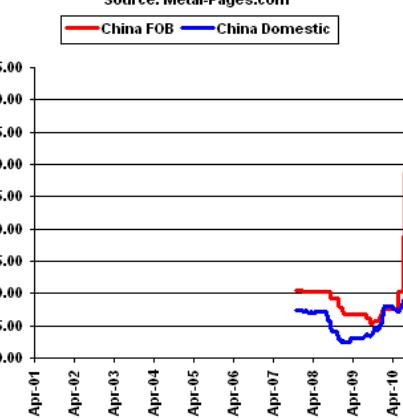
Europium Oxide 99% \$/kg

Source: Metal-Pages.com



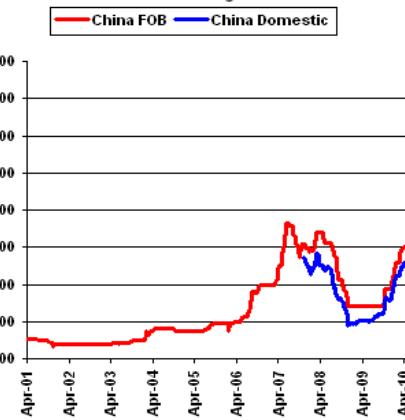
Gadolinium Oxide 99% \$/kg

Source: Metal-Pages.com



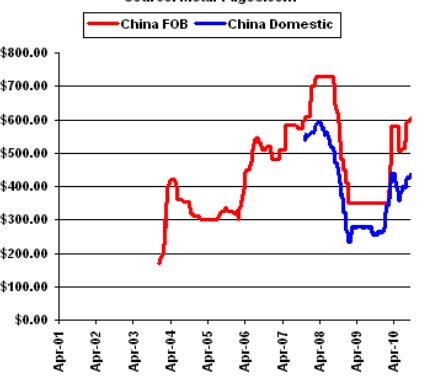
Praseodymium Oxide 99% \$/kg

Source: Metal-Pages.com



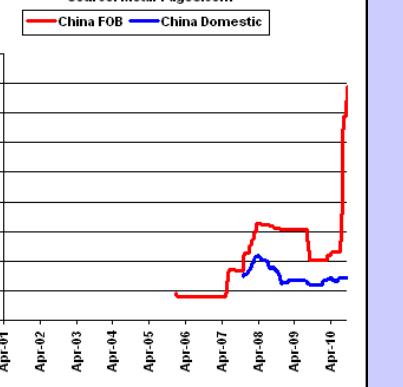
Terbium Oxide 99% \$/kg

Source: Metal-Pages.com



Yttrium Oxide 99% \$/kg

Source: Metal-Pages.com

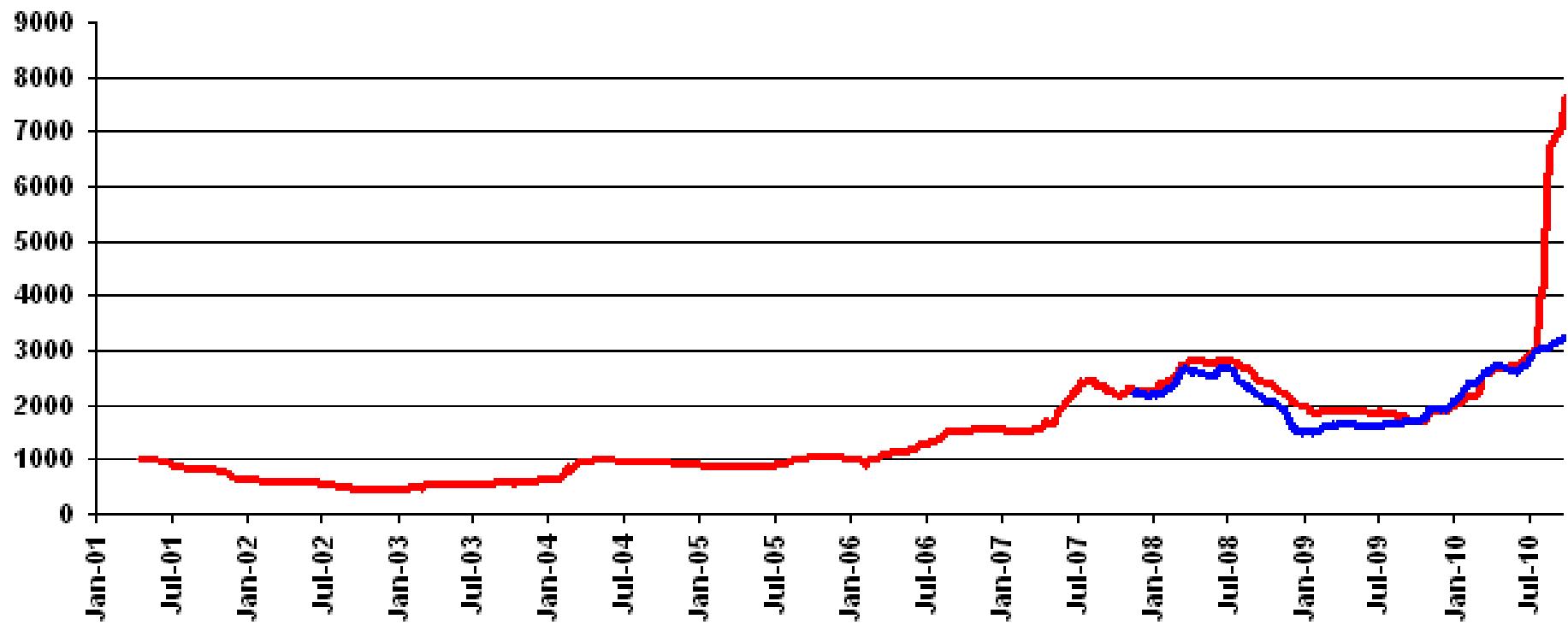


**Chinese Rare Earth
Policy in Action**

Wakeup Call for the Rest of the World

KBFO REO FOB & Domestic Price Index

September 23, 2010

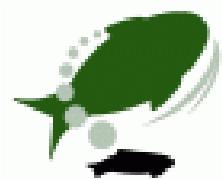
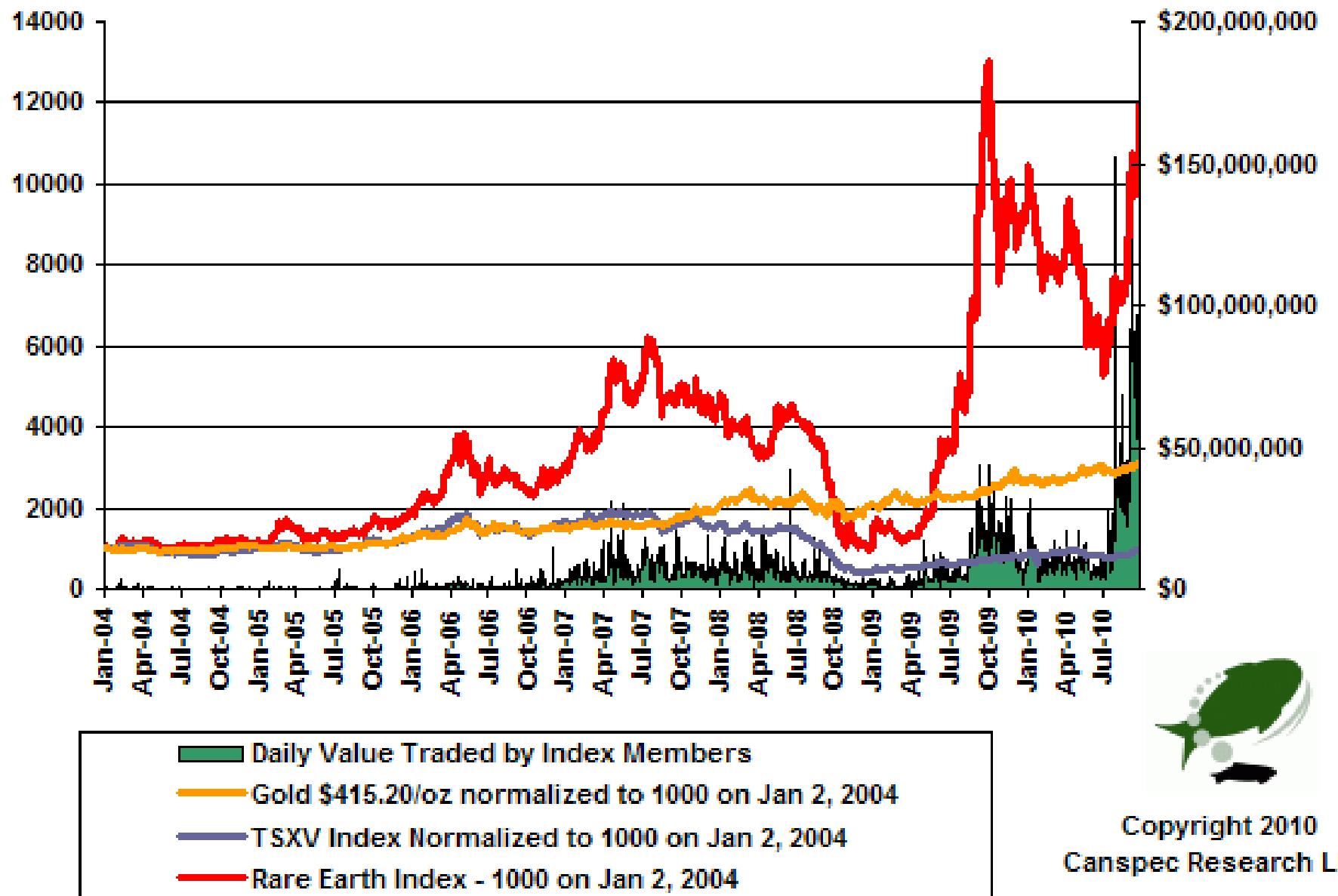


— REO FOB Index (Ce La Pr Nd Sm Eu Gd Tb Dy Y) indices normalized to 1000 Apr 13, 2001

— REO Domestic Index - normalized to parity with FOB Index on Nov 15, 2007

KBFO Rare Earth Index

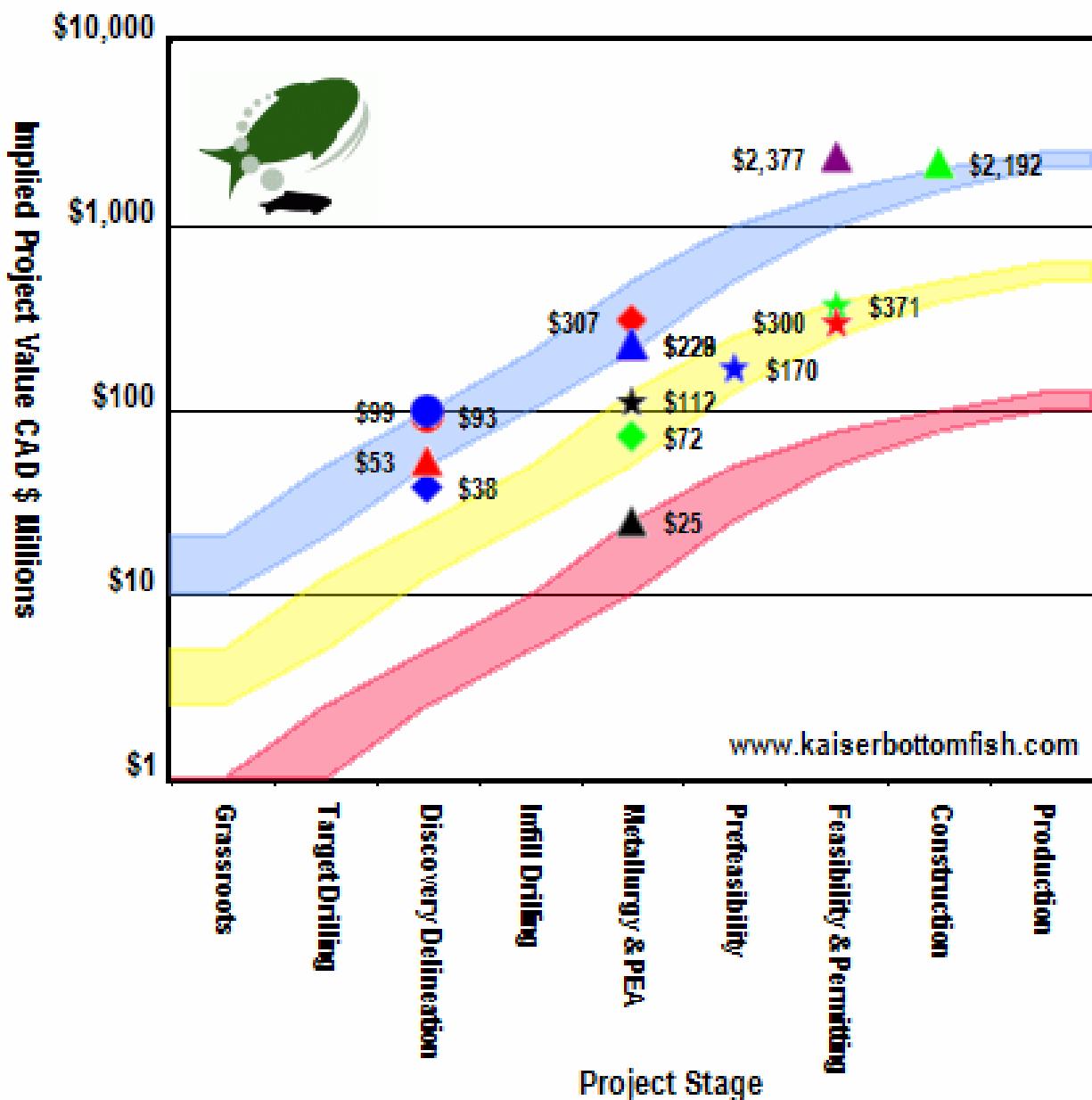
September 24, 2010



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Rare Earth Index Project Valuations

Friday, September 24, 2010



Dream Target Channels

- \$100 million Dream Target
- \$500 million Dream Target
- \$2 billion Dream Target

Key Company Projects

- Alkane - Dubbo
- Arafura - Nolans Bore
- Avalon - Nechalacho
- Great Western - Hoidas Lake
- Greenland Minerals - Kvanefjeld
- Hudson - Sarfartoq Carbonatite
- Lynas - Mt Weld
- Matamec - Zeus-Kipawa
- Molycorp - Mountain Pass
- Quest Rare Minerals - Strange Lake
- Rare Earth Metals - Clay-Howells
- Rare Element - Bear Lodge
- Stans Energy - Kutessay II
- Tasman Metals - Norra Karr
- Ucore - Bokan - Dotson Ridge

www.kaiserbottomfish.com

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Diluted: 49,560,238

ORM - TSXV - CAD \$4.61

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Avalon Rare Metals Inc.

9/25/2007 TO 9/24/201



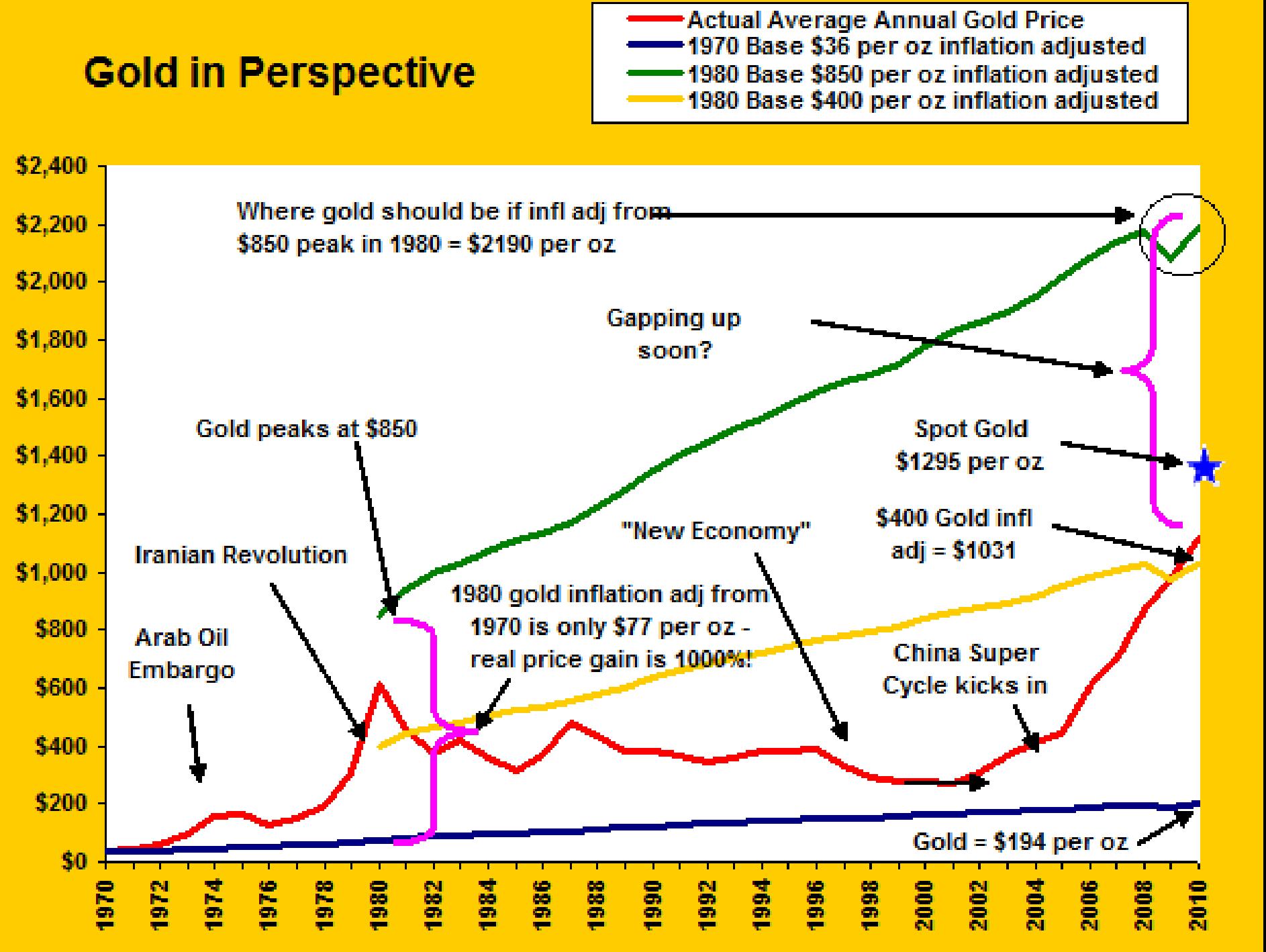
Diluted: 102,268,170

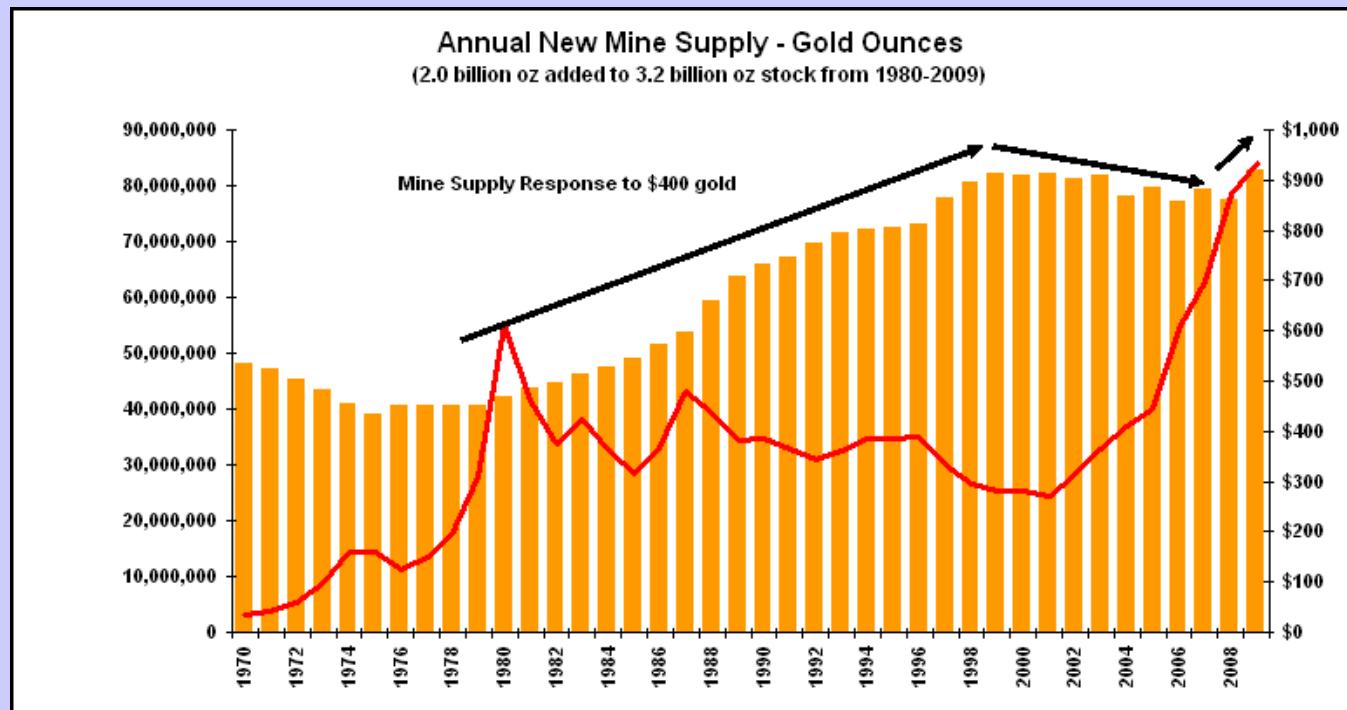
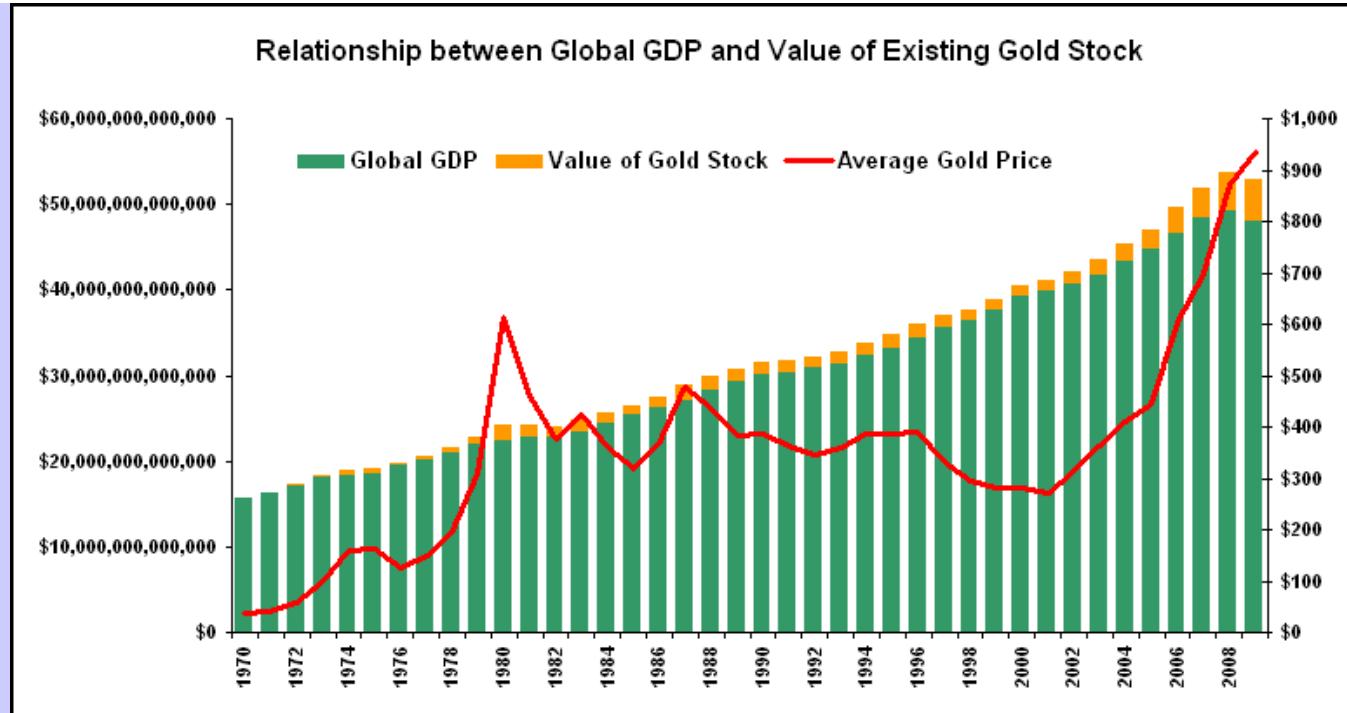
0 on 12/22/2008

\$10,836,909 on 9/8/2009

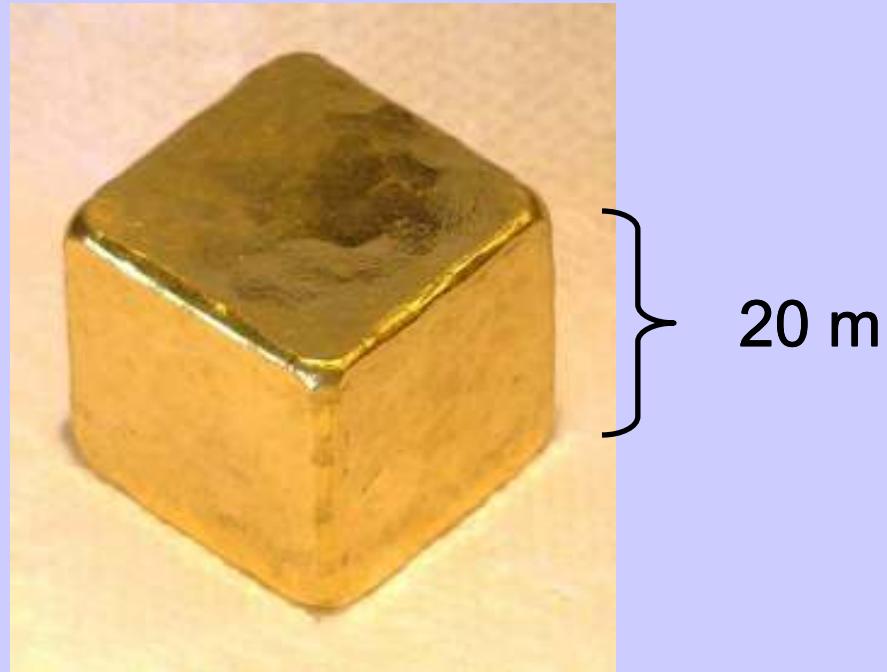
ANSWER

Gold in Perspective





Only 5.2 billion ounces of Gold Exist



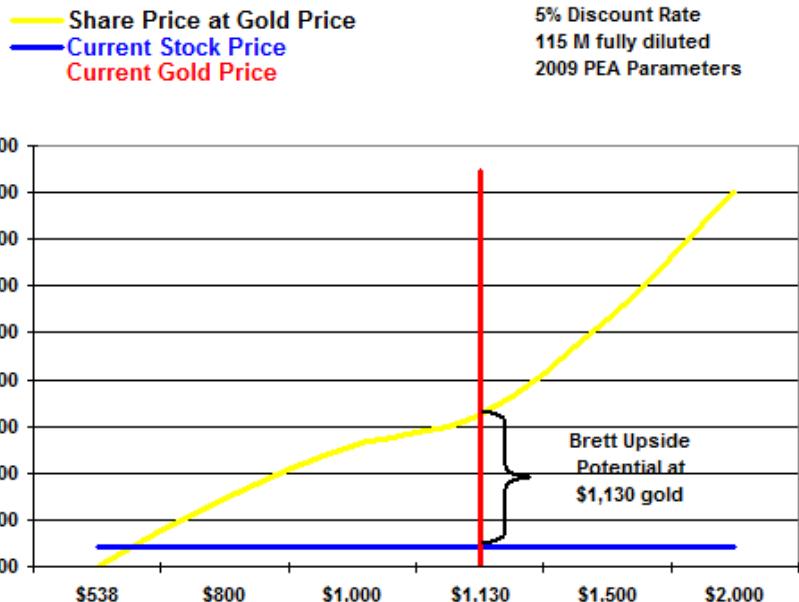
Gold Matters because it does not Matter

Approach #1: Develop existing ounces in the ground that a higher gold price is putting into the money.

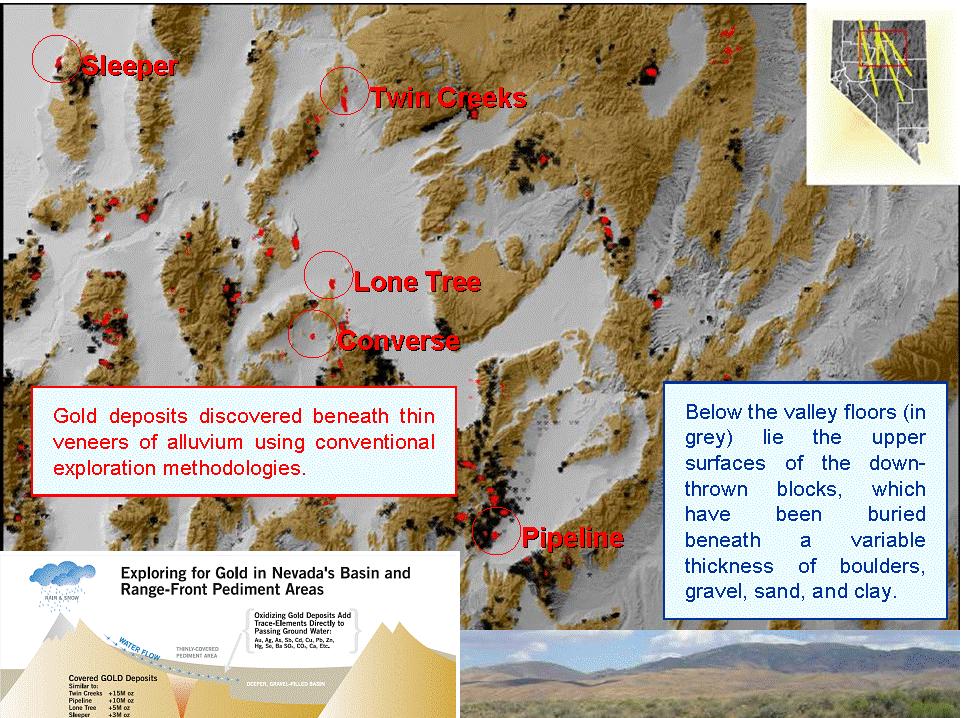
Project Resource Estimate - Hammond Reef							
Jul 23, 2009	NI 43-101	David W. Rennie, Scott Wilson RPA			Cutoff: 0.30 g/t Au		
Resource Category	Tonnage	Total Rock Value	Metal	Grade	Recovery	Contained Metal	% of GMV
Inferred Mineral Resources	259,400,000	\$28/t	Gold	0.8 g/t	100.0%	6,672,025 oz	100%
All Categories Spot	259,400,000	\$28/t	Gold	0.80 g/t		6,672,025 oz	100%
All Categories LTA	259,400,000	\$21/t	Gold	0.80 g/t		6,672,025 oz	100%
Spot Gross Metal Value		Market Cap as % of Net GMV		Spot Prices Used			
\$7,365,915,828		1.9%		Gold \$1,104.00/oz			
LTA Gross Metal Value		Market Cap as % of Net GMV		LTA Prices Used			
\$5,461,719,834		2.6%		3 Year Average: Gold \$818.60/oz			

Mine Parameters	Cost Parameters	Other Parameters
Mining Method	Open-Pit	Capital Cost
Processing Method	Milling	Mining Cost
Tonnage	243,440,000	Processing Cost
Mining Rate	50,000	Marketing Cost
Operating Days	350	Transportation Cost
Annual Ore Mined	17,500,000	Smelting Cost
Mine Life	14	G&A Cost
Waste to Ore Strip	1.43	Total Operating Cost
Concentrate	0%	Reclamation Cost
Scenarios	Breakeven	Pessimistic
	Base	Optimistic
Gold Price (\$/oz)	\$538	\$800
Rock Value (Recoverable)	\$12.86	\$19.14
Life of Mine Revenue	\$3,129,976,401	\$4,658,569,527
Pre-Tax % NPV Cash Flow	\$350,358,505	\$1,078,951,631
After-Tax % NPV Cash Flow	\$227,733,028	\$1,221,318,560
Pre-Tax NPV	\$65,803,606	\$1,097,007,211
After-Tax NPV	\$222,643	\$692,008,963
After-Tax US \$/sh NPV	\$0.00	\$6.99
After-Tax Cdn \$/sh NPV	\$0.00	\$7.34
IRR	4.4%	22.8%
	34.7%	62.1%
	88.6%	

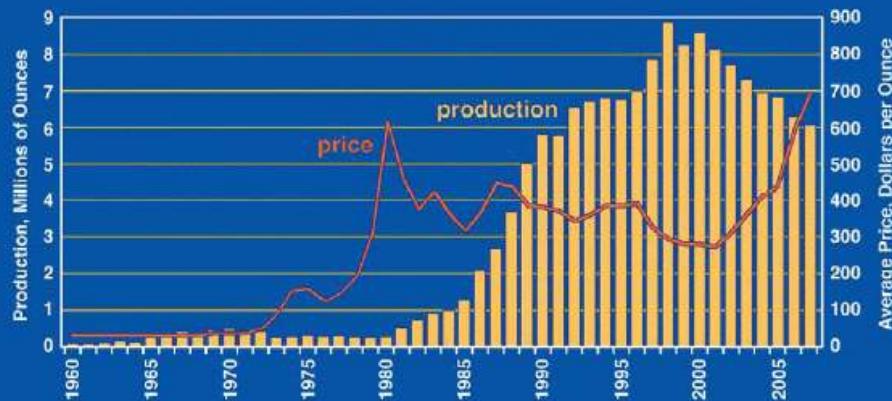
Brett Hammond Reef After Tax NPV Sensitivity



Approach #2: Explore for new deposits using innovative exploration methods or creative geological sleuthing.

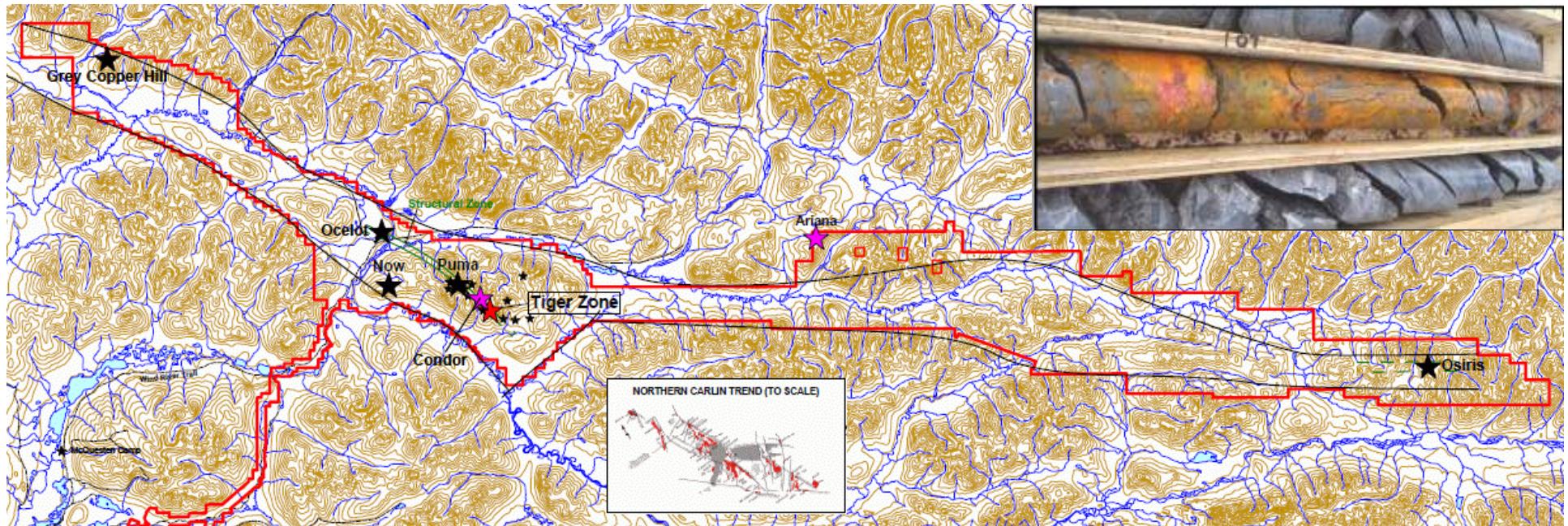


Nevada Gold

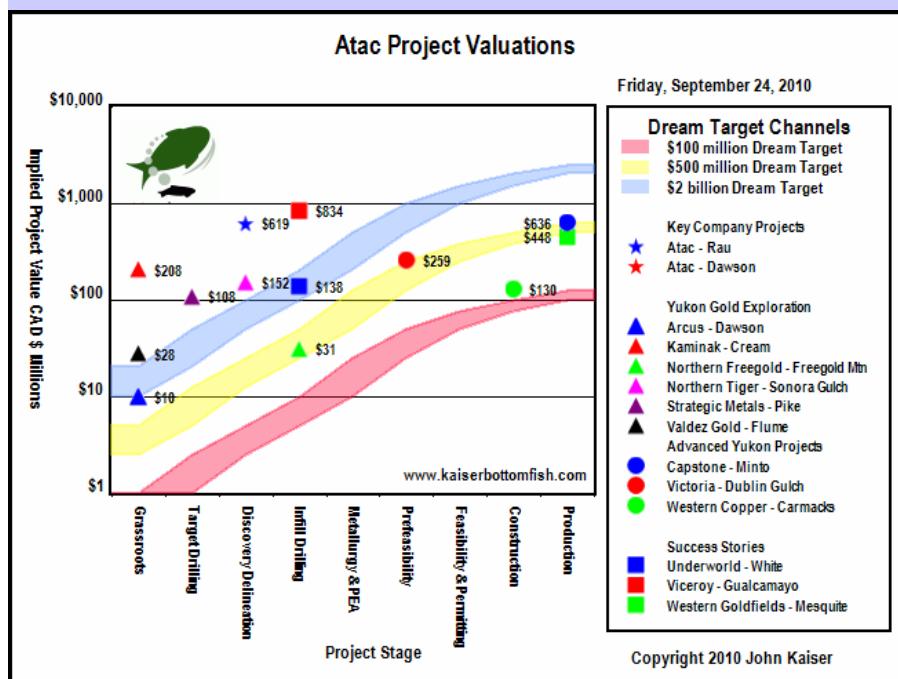


Source: US Geological Survey

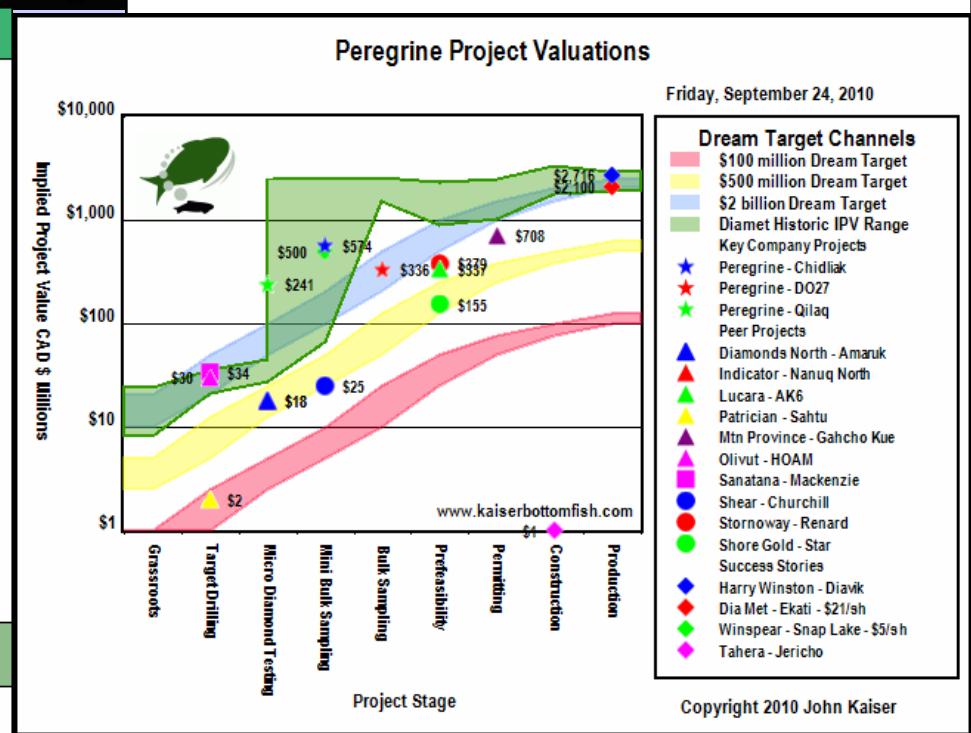
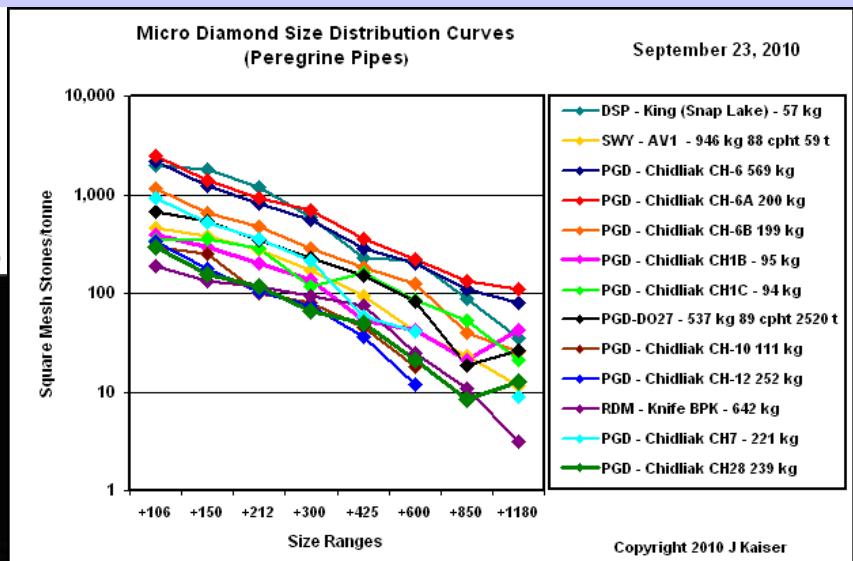
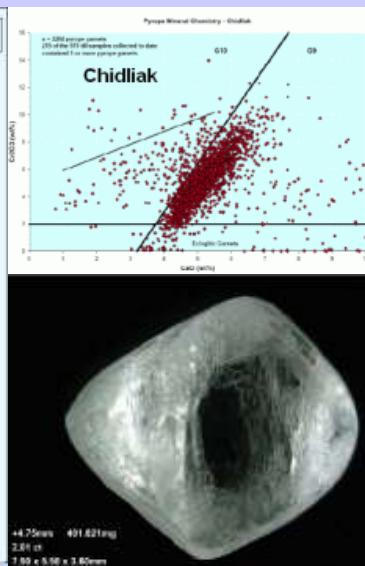
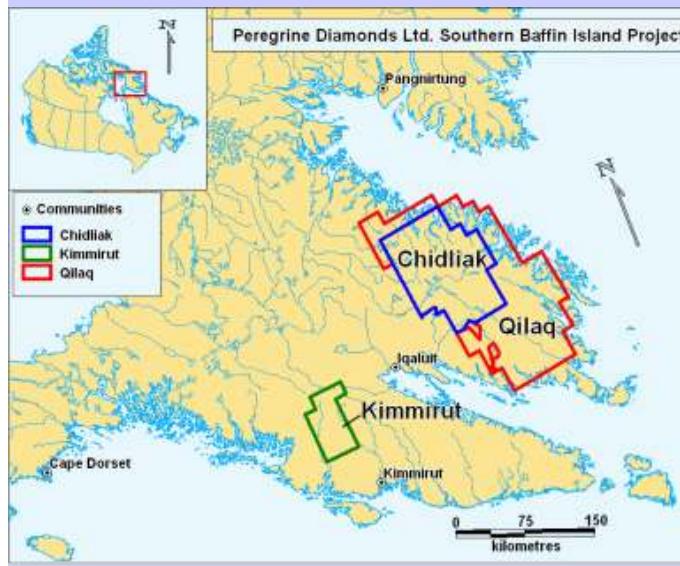




Atac – the next discovery wonder stock?



Peregrine Diamonds (PGD-T) – the next Dia Met?

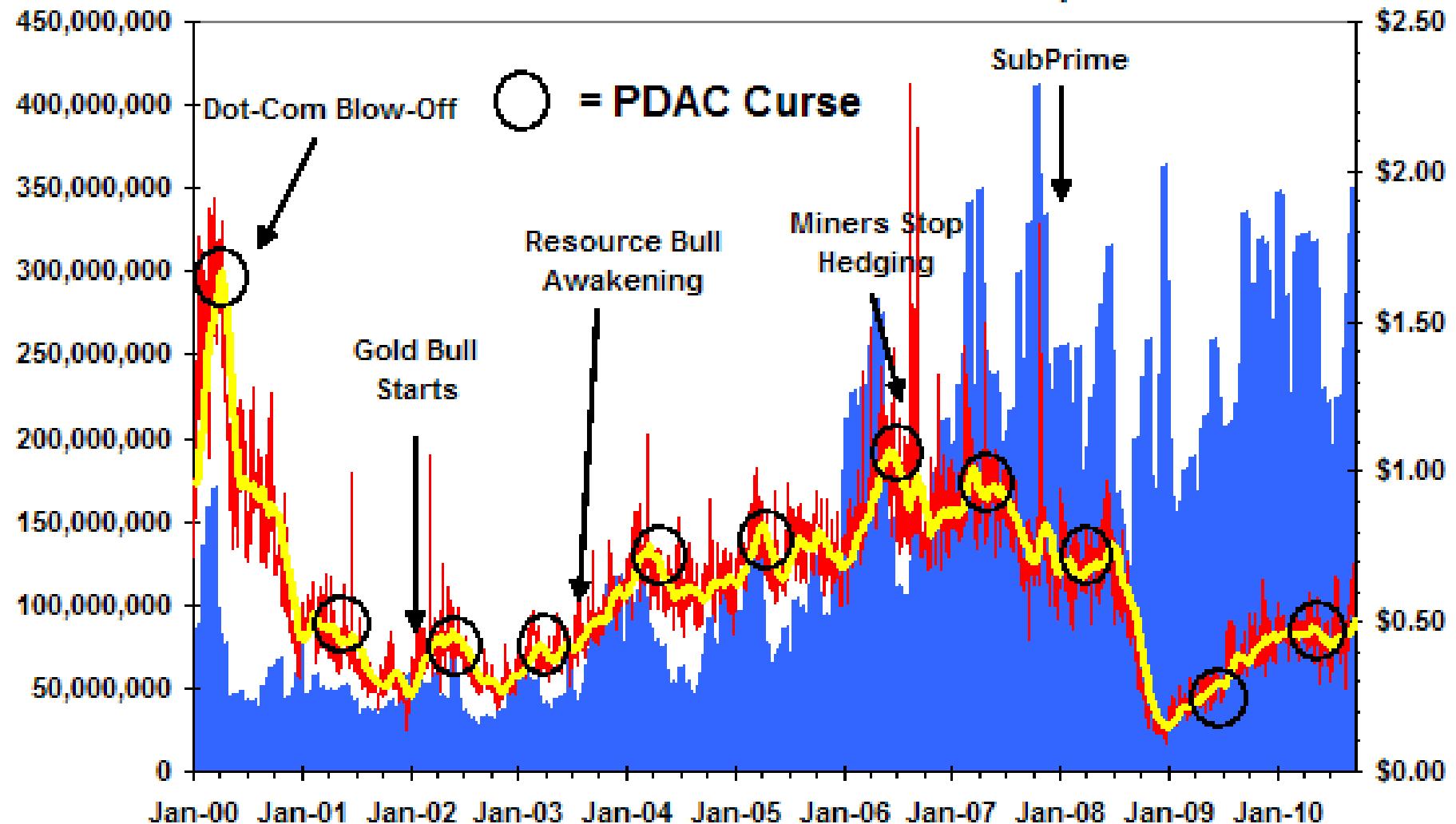


Daily TSXV Volume and Average Trading Share Price



Volume — Average Share Price — 30 Day Average Price

September 23, 2010



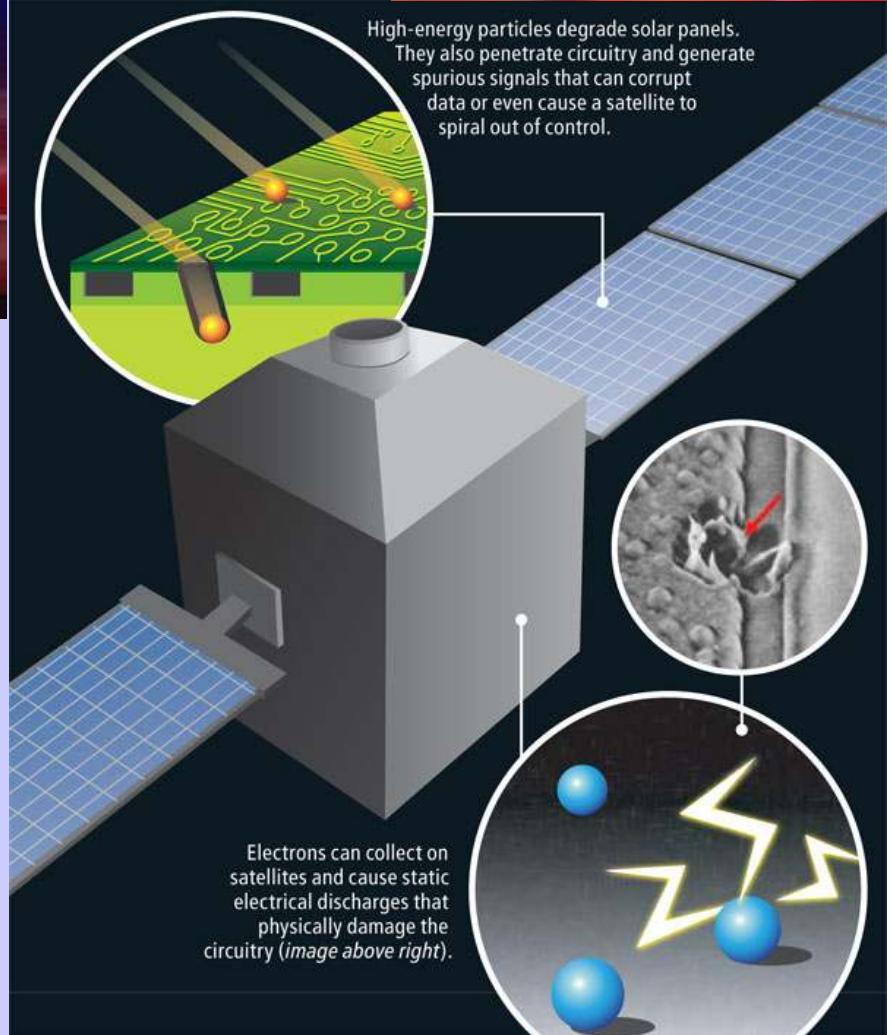
PDAC Curse: the tendency of the new year rally to fizzle right after the PDAC mining convention held annually in March in Toronto.

“Not to worry, China is in a Bubble”



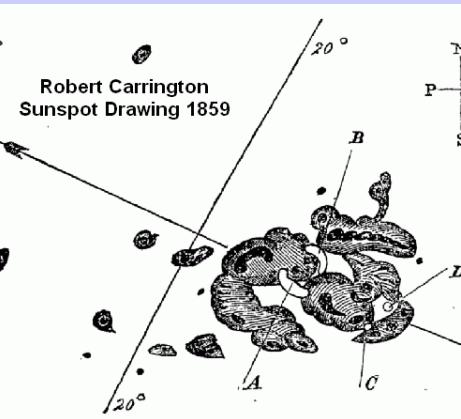
China Bears Jim Chanos & Hugh Hendry

Nasa Warns Of Super Solar Storm 2012

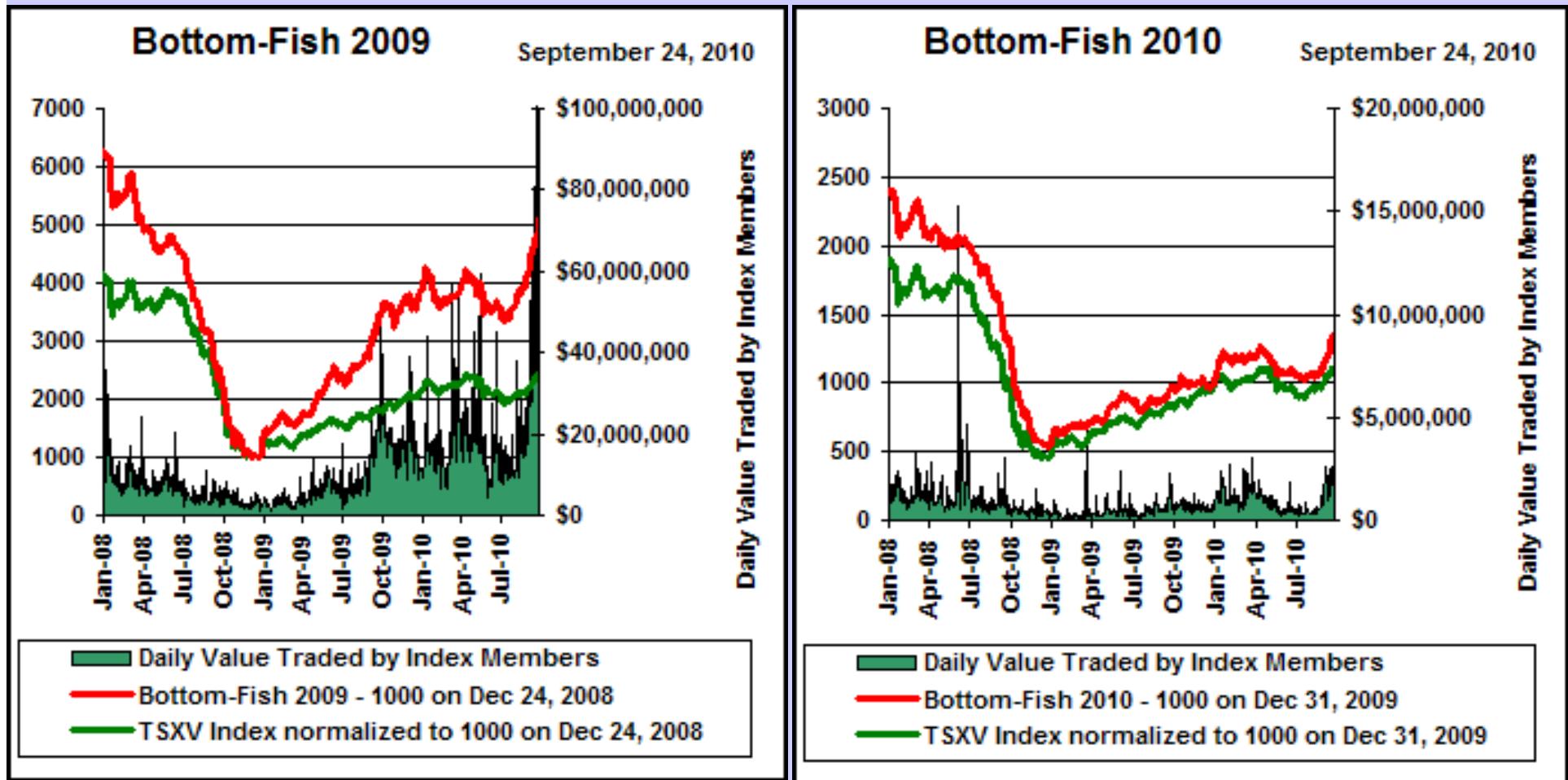


The Carrington Event

1859 Geomagnetic Storm



In waiting for a “real bottom” the doom & gloomers are missing the boat!



Thank You

www.KaiserBottomfish.com