

# Texas Rare Earth Resources – The Ant and the Grasshopper

☒ Distant memories of my High School French brings back a few stanzas of the Marseillaise, the opening line of Baudelaire's poem *Recueillement*, "*Sois sage, O ma douleur*" (great advice for all those angsty in the mining space) and the beginning of Jean de La Fontaine's *La Cigale et la Fourmi* (the Grasshopper and the Ant) which goes "*La Cigale, ayant chanté, Tout l'été,*".. The grasshopper, having sung, all the summer..." and then goes on to relate how this feckless insect is outcompeted by the ant that spent the summer collecting food for the winter.

The grasshopper sounds depressingly like many in the REE (rare earth elements) space while the simile of the ant came back to us recently (in the dead of winter) with the latest news from Texas Rare Earth Resources Corp. (OTCQX: TRER).

## **Catching one of the Big Stars of the Rare Earth Firmament**

Anthony Marchese at Texas Rare Earth Resources reminds us of a general marshalling his troops for battle. He has resolved not to sally forth into the corpse-strewn REE no-man's-land until he has all his heavy artillery aligned. The latest addition to the Texas Rare Earth Resources board is somewhat akin to the Germans' introduction of "Big Bertha" to World War One battlefields.. a key change in the balance of firepower.



I have got to say that Texas Rare Earth Resources sounds like a step up from his previous position as Eric Noyrez was, until June of this year, the Chief Executive Officer of Lynas Corporation. He had been appointed to the Lynas board in late March 2013. He had joined Lynas as President & Chief Operating Officer in February 2010. He had previously been the President

of Rhodia SILCEA (its rare earths, silicas and diphenols division) with annual sales volumes over US\$1 billion. He spent 11 years with the Shell group of companies, managing chemical and industrial businesses.

He began his career designing automobiles for the Peugeot / Citroen group. He holds a Masters degree in Engineering and Mechanicals from ENSM (Ecole Nationale Superieure des Mines) in France, where he studied Mechanics and Robotization, specializing in Polymer processing.

### **Object Lessons**

Having Molycorp and Lynas move into production so far ahead of the rest of the REE pack initially seemed like it put the junior players at a disadvantage. However, perversely, the larger the time gap the more lessons that have been learnt about “what not to do” in the Rare Earths space. In the case of Molycorp the errors are multiple but the gravest was to start with an initial pit that was not the best deposit that could have been exploited. In the case of Lynas the error was to chase after the elusive tax benefits of a Banana (well, palm-oil) Republic which ended up with complications that were legion, more than negating whatever the supposed economic benefits might have been. Noyrez, having to untie the Gordian knot made by the board’s feckless decision back in 2008 to go to Malaysia in the first place, is uniquely positioned to know the pitfalls and steer Texas Rare Earth Resources clear of those that he has previously had to grapple with at Lynas.

### **Brains Trust**

The board Noyrez is joining is already freighted with intellectual (and practical) heavyweights from the REE and specialty metals space, our colleague, Jack Lifton, being prominent amongst them. Though the others are no lightweights either:

- Dan Gorski – a veteran geologist (who just happens to

have also worked as a cryptographer for the US Army)

- Nicholas Pingitore – a geochemist of renown
- James Wolfe – a metallurgist with deep experience of dealing with China is matters of REEs and specialty metals

Then the Advisory Board has:

- Charles Groat – former head of the USGS
- Dan McGroarty – a Washington mover and shaker of the first water
- Phillip Goodell – a geology professor at University of Texas
- Jim Hedrick – former rare-earth commodity specialist at the U.S. Geological Survey

The days of putting together dream boards are long past for most REE companies and in any case they were largely an exercise in “collecting the set” with their members treated like Cigar Store Indians to be seen and not heard. That Texas Rare Earth Resources is still putting together its team and paying attention to what they say shows a different level of seriousness altogether from the Vancouver promoters. Then again Anthony Marchese is most definitely not a product of the Vancouver sausage machine school of mining promotion.

## **Conclusion**

Ironically there are a number of Rare Earth companies that style themselves as rare metals companies, and yet Texas Rare Earth Resources’ name implies only Rare Earths where it is in fact a whole array of metals in such quantities that Round Top could be a mine dedicated to any one of them in their own right rather than just by-product credits. To give just a reminder, Texas Rare Earth Resources has independently mineable resources in:

- Rare Earths
- Flourite (including Yttrio-flourite)

- Beryllium
- Lithium
- Uranium

With such a multifaceted deposit we would not be surprised to see the Chinese interest perking up. It should be noted then that Noyrez has extensive experience in the Chinese natural resources and chemical processing sectors, where he is well regarded. However if the powers that be in Washington want to keep the Chinese at bay from getting their hands on the Beryllium at Round Top then they might designate some party to take Texas Rare Earth Resources out of temptation's way.