

Trump amends Defense Production Act for Rare Earths

My first email this morning read "Game changer!" and included a link to the *Presidential Determination Pursuant to Section 303 of the Defense Production Act of 1950, as amended*. It reads, on July 22, 2019, US President Donald Trump stated: "By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 303 of the Defense Production Act of 1950, as amended (the "Act") (50 U.S.C. 4533), I hereby determine, pursuant to section 303(a)(5) of the Act, that the domestic production capability for Rare Earth Metals and Alloys is essential to the national defense.

Without Presidential action under section 303 of the Act, United States industry cannot reasonably be expected to provide the production capability for Rare Earth Metals and Alloys adequately and in a timely manner. Further, purchases, purchase commitments, or other action pursuant to section 303 of the Act are the most cost-effective, expedient, and practical alternative method for meeting the need for this critical capability."

Having seen the undeniable increase in interest in rare earths as of late, we published a historical overview of the market yesterday titled The U.S. rare earths saga continues... The intent was to highlight how a similar series of events created a most memorable boom to bust cycle from 2010-2014.

This memo should provide a great short-term boost to the rare earths sector as well as a confidence boost for investors in the rare earths sector, which we will be covering. We presently cover regularly the following companies that are

leaders in this sector:

- Alkane Resources Ltd. (ASX: ALK | OTCQX: ANLKY)
- Avalon Advanced Materials Inc. (TSX: AVL | OTCQB: AVLNF)
- Critical Elements Lithium Corp. (TSXV: CRE | OTCQX: CRECF)
- Scandium International Mining Corp. (TSX: SCY)
- Search Minerals Inc. (TSXV: SMY)