

## JOHN LEE'S STOCK CHART OF THE WEEK

May 22, 2008



### Western Prospector Group Ltd. [TSX: WNP.V]

Company Website: <http://www.westernprospector.com/>  
 Recent Price: \$0.70  
 Shares Outstanding: 54M  
 Market Capitalization: \$37.8M  
 52 Week Range: \$0.48-\$6.00

Western Prospector is a Uranium explorer in Mongolia.

WNP was once a darling of Bay Street, with its stock was flying high at \$6.00 with 30 million+ pounds of Uranium resource. \$30 million was raised at \$4.6 just before the perfect storm hit. First was the uncertainty of Mongolia, then the Uranium price correction, then a lawsuit with JV partner. WNP's stock traded as low as 50 cents with the market cap just about equal its cash position of \$25 million.

Since then, things have turned around. Mongolia recently rescinded its windfall tax on gold mining...

[http://ubpost.mongolnews.mn/index.php?option=com\\_content&task=view&id=1793&Itemid=40](http://ubpost.mongolnews.mn/index.php?option=com_content&task=view&id=1793&Itemid=40)

...and the company just received an unsolicited takeover bid from its neighbor Khan Resources ([KRI.TO](#)) last week.

WNP is an old story, we like it now because capitulation is done as stock showed massive volume and broke out above 50 DMA (blue) at 60 cents. With Khan's takeover bid and cash position as support, the stock looks to rise to \$1 quickly. We own about 80,000 combined shares of Khan (now priced \$1.03) and WNP (adjusted for takeover bid) at average 94 cents.

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