



News Bulletin

Rare Earth Ore Prices Stable

January 2015 Update

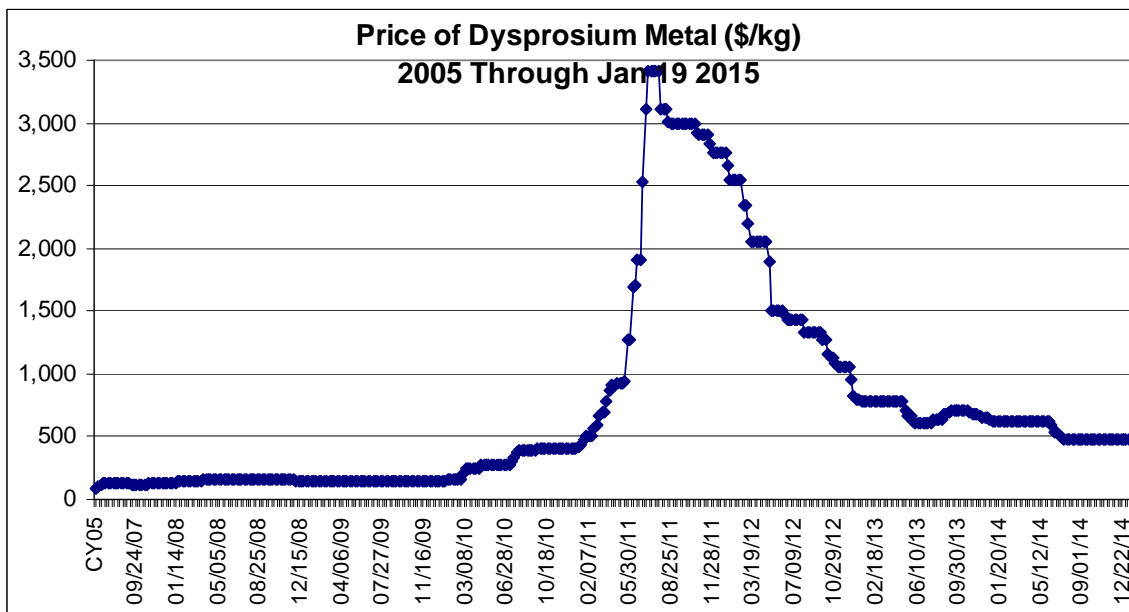
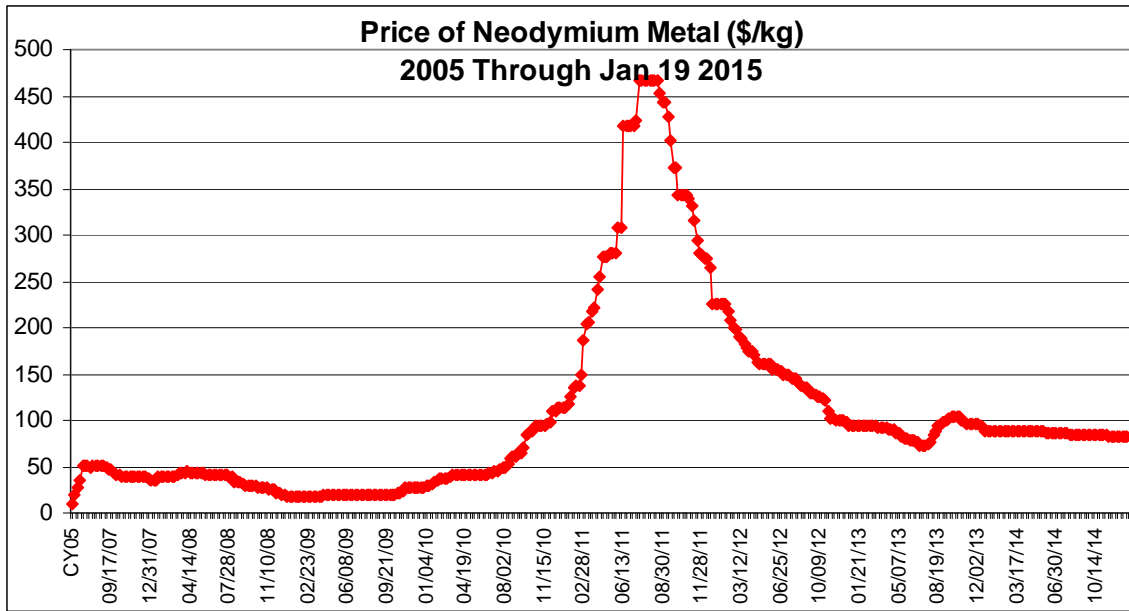
Rare Earth ore pricing continues to show stability since peaking in August 2011, and coming off those peaks since then. While the price of Nd metal has fallen 5% since the beginning of 2014, it has nevertheless risen by 350% since January 2009. Pricing of Dy metal (used to enhance the elevated temperature performance of Nd based magnets) has fallen by 25% since January 2014, but has also risen 229% since 2009. Magnet materials based on Rare Earth material compositions have seen significant cost increases over the last 6 years due to the mismatch between supply and demand for the basic raw materials, and production quotas imposed by the Chinese government.

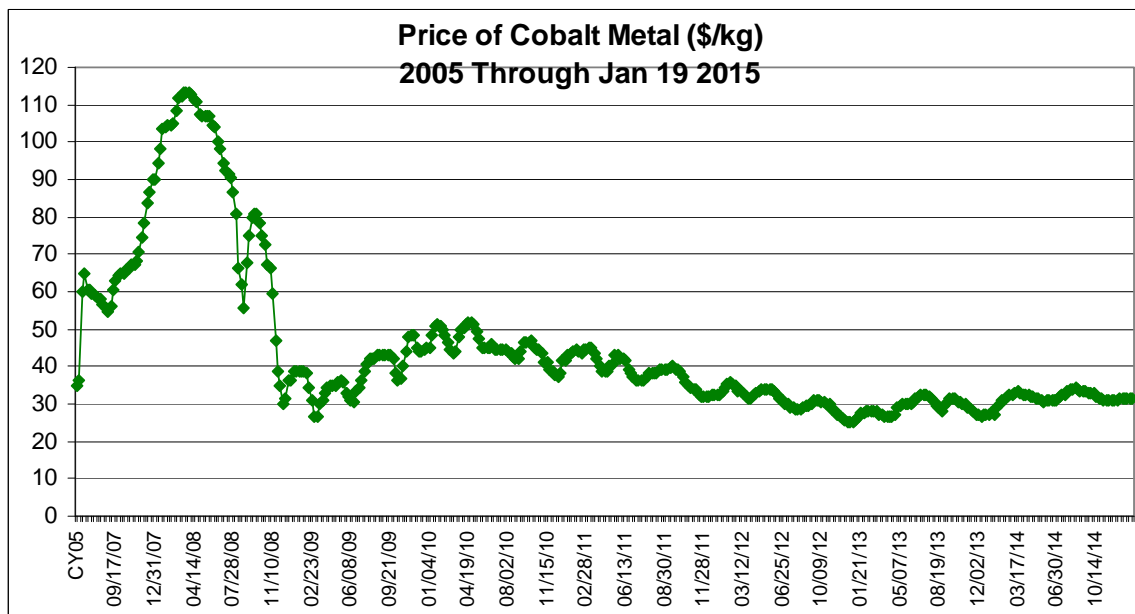
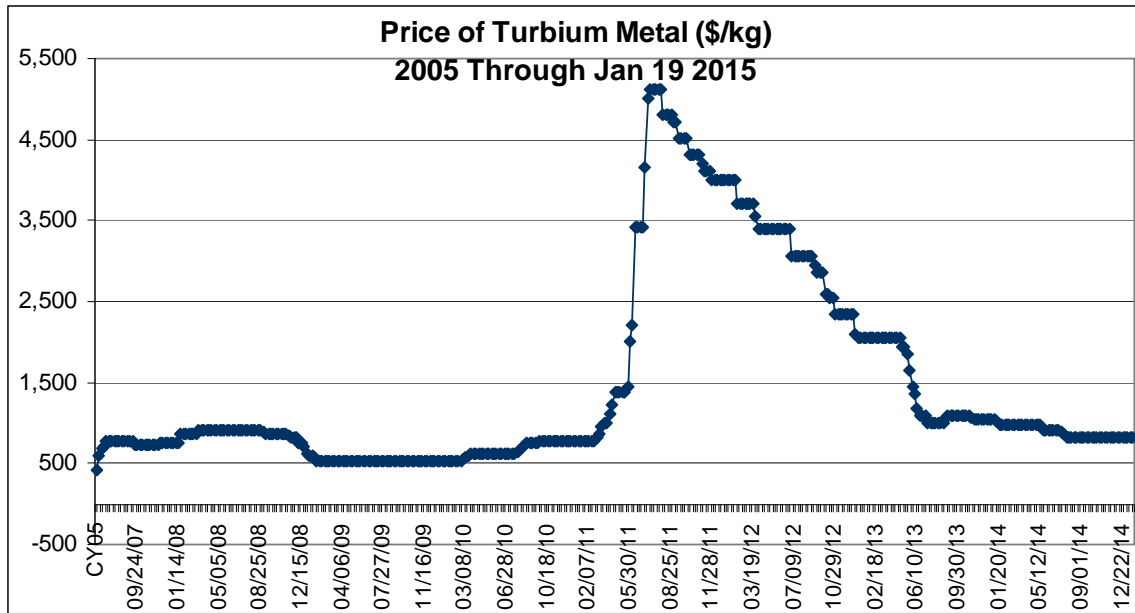
Where possible some applications have been re-designed to reduce or eliminate rare earth magnets. This together with global slowdowns in various markets, recycling efforts, and the opening up of new rare earth ore mines around the world have contributed to the easing of supply constraints and put downward pressure on pricing. Magnet materials affected are the Neodymium Iron Boron and Samarium Cobalt families of materials.

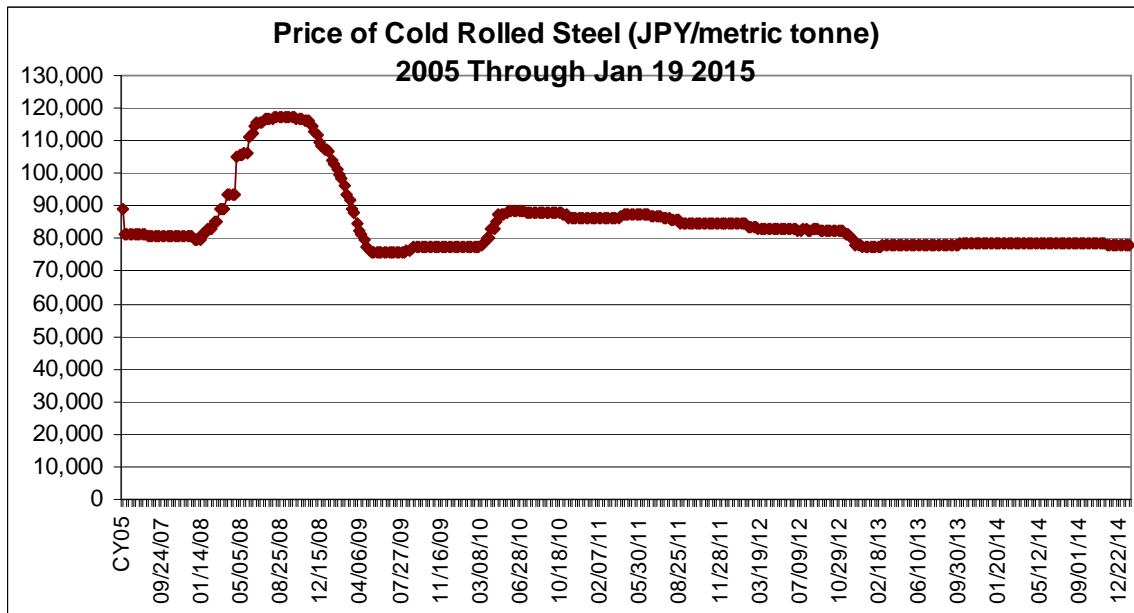
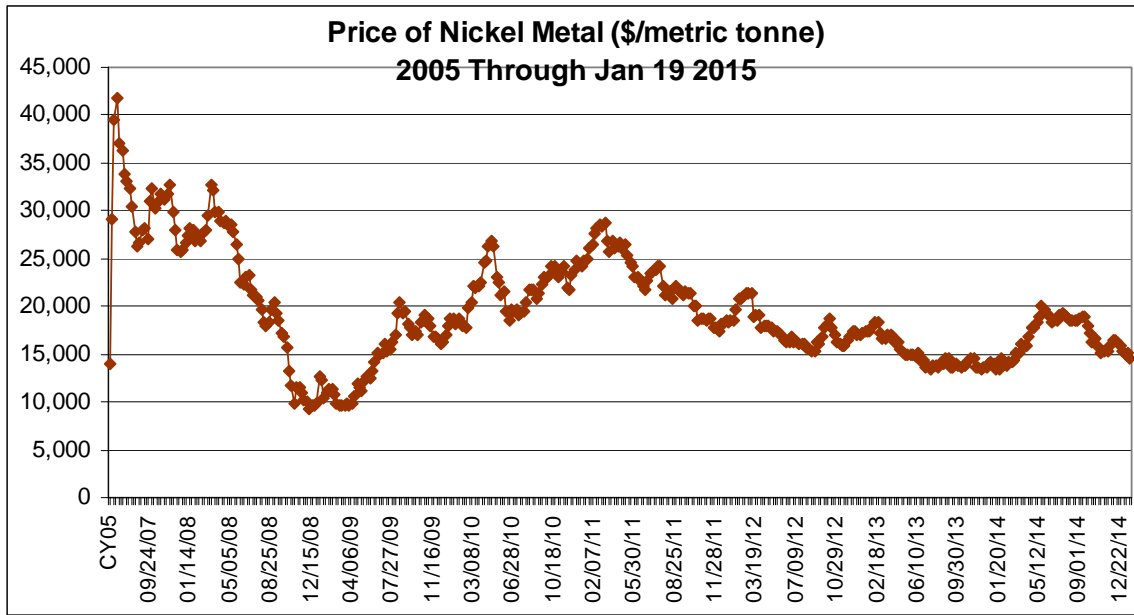
Rare Earth elements have seen a sharp increase in demand especially over the past few years as an increasing number of high-tech and clean-tech products have incorporated their use.

Currently 97% of the world's commercial production of rare earth ores is located in China, which has imposed strict quotas on the export of these ores as its own demand for them is growing rapidly. Several mines around the world are in the process of being re-opened, although the pace of efforts has slowed as the price of the ores has come down. However, re-opening these mines is a long process and the supply side is not expected to catch up for some time. New sources for the rare earth ores are being evaluated and new mines explored and evaluated – again with long lead times to meaningful production. There is a strong effort by non-Chinese suppliers of magnet materials to diversify their sourcing of Rare Earths and to recycle materials.

We will continue to source our materials as competitively as possible, and do everything we can to minimize the impact of these cost increases to our customers.







Price Change Percentages For Various Metals

Metal	Neodymium	Dysprosium	Turbium	Cobalt	Nickel	Cold Rolled Steel
01/01/15	0%	0%	0%	0%	-2%	0%
01/01/14	-5%	-25%	-21%	15%	3%	-1%
01/01/13	-13%	-41%	-60%	25%	-15%	1%
01/01/12	-63%	-83%	-79%	-3%	-21%	-8%
01/01/11	-27%	19%	7%	-25%	-40%	-10%
01/01/10	181%	222%	53%	-30%	-22%	1%
01/01/09	349%	229%	38%	-18%	15%	-27%

(Data based on Asian Metals)

For more information please click on the links below:

[Mining Weekly March 18th 2011](#)

[Molycorp – the global outlook for production of rare earth ores](#)

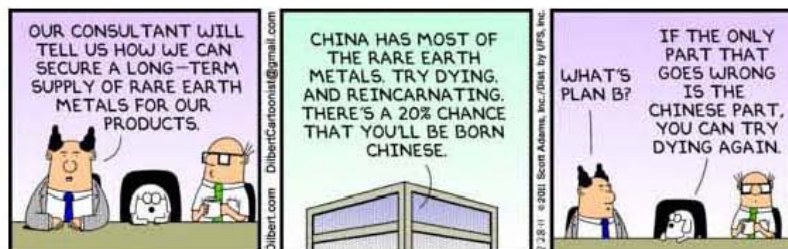
[Rare Earth Pricing Soar – Bloomberg October 2010](#)

[Article on combating China’s quotas on export of Rare Earths – March 2011](#)

[Article on Rare Earth pricing and opportunities in the mining sector – March 2011](#)

[Rare Earth prices surge – article for New York Times – May 2011](#)

[High Rare Earth Pricing Force Hitachi, Toyota to Find Alternatives – August 2011](#)



On the lighter side, Rare Earth discussions went mainstream – Dilbert February 28th 2011