



FOR IMMEDIATE RELEASE

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**USMMA Welcomes USGS Report on Rare Earths,
Offers Clarifying Comments**
*U.S. Geological Survey Assessment Raises Critical Issues Regarding
National Security and Green Technologies*

Washington, DC – The [United States Magnetic Materials Association](#) (USMMA), a trade association representing domestic high performance magnet producers and suppliers, today applauded the recent U.S. Geological Survey (USGS) assessment, “The Principal Rare Earth Elements Deposits of the United States” as an excellent review of mineralization occurrences in the United States. While acknowledging that many such deposits are unproven and that China currently produces nearly all REEs on the world market, this report is the most comprehensive U.S. Government assessment of domestic rare earth reserves to date. It is thus a useful starting point for discussing options for developing reliable supplies of the raw and processed materials that are essential to national security and green technologies.

To advance this discussion, USMMA would like to offer several observations regarding the report:

- In its 2008 Minerals Yearbook, USGS cites U.S. imports of REE material at over 20,000 tons. Thus, based on USGS’ own data, the United States runs a material shortfall of about 10,000 tons annually – a shortfall which carries over from year to year.
 - This figure from 2008 does not consider rapidly increasing domestic demand associated with REE-dependent “green technologies” like hybrid electric vehicles, nickel-metal hydride batteries, and wind turbines, which stands to further exacerbate the existing U.S. supply shortage.
- The press release accompanying the report states that domestic deposits have the potential to meet U.S. demand but fails to clarify that many of these deposits are not economically viable, potentially creating a false sense of security.
- The press release also fails to highlight the current global shortfall noted in the 2008 Minerals Yearbook, which stated, “*Existing production is currently not sufficient to meet world demand, and shortages exist for neodymium and dysprosium for magnet alloys and europium and terbium for phosphors. Although the Mountain Pass deposit in the United States contains sufficient resources to meet domestic demand for light-group REEs, the deposit does not contain sufficient heavy-group REEs to meet demand for those elements.*”
- New supply sources – which come on line in the next 1-4 years – may ease this demand over time but cannot solve this significant, growing shortfall in the near term.

- The USMMA urges policy makers to pursue a “manufacturing first” solution that supports reliable, domestic production of neodymium iron boron magnets (the most pressing U.S. rare earth vulnerability) and other value added rare earth materials through existing tools, like the Defense Production Act. Such a step would provide increased demand for new sources of rare earth oxides and ensure their long-term viability while freeing us from our current dependence on Chinese sources of supply.
- The most pressing supply risk in the United States is our current limited capability to convert rare earth oxide to metals, alloys and powders, as well as the capability to manufacture rare earth magnets. USMMA members are working collectively to revitalize these critical, value-added capabilities.

USMMA President Ed Richardson noted, “We welcome the USGS report as it advances discussion of domestic capabilities and raises key issues regarding mining, separation, and more advanced refinement of rare earths materials. We will continue to heighten awareness of U.S. and allies’ supply chain vulnerabilities and engage actively with U.S. Government officials open to pursuing real, competitive solutions in critical national security, energy, and green technology arenas.”

More information can be found at <http://www.usmagnetmaterials.com>.



Thomas & Skinner, Inc.
High Performance Magnetic Materials

[Thomas & Skinner, Inc.](#) is the world’s leading manufacturer of cast and sintered alnico magnets, magnetic assemblies, and transformer laminations. Through its wholly-owned subsidiary Ceramic Magnetics, Inc., Thomas & Skinner is also a leading manufacturer of soft ferrite magnets.



[Hoosier Magnetics, Inc.](#) specializes in the manufacturing of hard ferrite powders used in a wide variety of permanent magnet applications. Founded in 1975 in Washington, Indiana; Hoosier is a privately held company owned by Dr. B. Thomas Shirk.



ELECTRON ENERGY CORPORATION
Specialists in Rare Earth Magnets and Magnet Systems

[Electron Energy Corporation](#) is a worldwide leader in samarium cobalt magnet production and offers design services and rare earth magnet assemblies. Electron Energy is the only US operated rare earth magnet company that still melts its magnet alloys in-house.



[U.S. Rare Earths, Inc.](#), an American natural resources development company based in Salt Lake City and New York City, holds large resources and reserves of high-grade rare earth metals and the largest documented high-grade thorium properties in the world within its properties in Idaho, Montana, and Colorado, including a large portion of known and estimated U.S. reserves.



The [Arnold Magnetic Technologies Corporation](#), a privately owned corporation comprised of five strategic businesses, manufactures a wide range of both permanent and soft magnetic products and assemblies at facilities in the United States, the United Kingdom, Switzerland and China.



[Great Western Technologies Inc.](#) is a leading production facility in North America for rare earth materials, powders, and custom

vacuum-grade specialty alloys. GWTI provides research and development, process development, consulting, and innovative products and services to clients worldwide. GWTI, in partnership with its parent company, Great Western Minerals Group Ltd., is part of the first vertically integrated structure in North America to produce and process rare earth elements for advanced technology and alternative energy markets.



Lynas Corporation is creating a reliable, fully integrated source of supply from mine through to customers, and aims to become the benchmark for security of supply and environmental standards in the global Rare Earths industry. Lynas has developed a mine at its rich deposit of Rare Earths at

Mt Weld in Western Australia, and will produce separated rare earth products from its Advanced Materials Plant which shall commence production in Q3 2011

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