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Industry Experts Join Magnet Materials Supply Chain Association to Advance Domestic Rare Earth Issues

Products Vital to Green Job Growth and National Security Technology

Washington, DC – The United States Magnet Materials Association ("USMMA") today announced that three industry experts – Jack Lifton, Stan Trout, and Tony Morcos – have joined the association as members of its newly-created advisory board.

Jack Lifton of Jack Lifton, LLC is an independent consultant, focusing on the sourcing of nonferrous strategic metals. His work includes exploration, mining, and the recovery of metal values by recycling of not only metals and their alloys but also of metal-based chemicals used as raw materials for component manufacturing. Mr. Lifton holds more than 45 years of experience in the global OEM automotive, heavy equipment, electrical and electronic, mining, smelting, and refining industries. His background includes the sourcing, manufacturing, and sales of platinum group metal products, rare earth compounds, and ceramic specialties used to make catalytic converters, oxygen sensors, batteries, and fuel cells. He is knowledgeable in locating and analyzing new and recycled supplies of 'minor metals' including tellurium, selenium, indium, gallium, silicon, germanium, molybdenum, tungsten, manganese, chromium, and the rare earth metals.

Stan Trout of Spontaneous Materials holds over 30 years experience in the permanent magnet and rare earth industries. With a wealth of problem solving abilities gained from a wide variety of technical and commercial roles, Stan has worked alongside many international luminaries in the industry. He is particularly proud to have trained many of today's active industry professionals. A registered Professional Engineer, Stan has a B.S. in Physics from Lafayette College and an M.S. and Ph.D. in Metallurgy and Materials Science from the University of Pennsylvania.

Tony Morcos of ACM Magnetics is an expert in magnetic circuit design and analysis, with more than 25 years of both theoretical and hands-on experience in permanent magnet manufacturing and electric motor/electromagnetic device design and manufacturing. With specialties in high-performance permanent magnet motors, actuators and sensors for use in Military/Aerospace, Medical, Automotive, Power Tool, Appliance and Commercial/Industrial applications, Mr. Morcos is a seasoned trainer and lecturer on permanent magnet materials & applications and electric motors & generators. Mr. Morcos received his Bachelor's and Master's of Science

degrees in Electrical Engineering from the University of Dayton, where he studied under the "father of rare-earth permanent magnets" – Dr. Karl Strnat.

The USMMA recently expanded its focus to include rare earth materials and the rare earth magnet supply chain by committing to:

- Support the work of U.S. mining interests to identify and retrieve highly usable rare earth elements from reliable domestic and North American property holdings;
- Revive the ability of industry to convert rare earth elements into usable metal for domestic magnet manufacturing; and
- Advance the manufacturing efforts of U.S. magnet producers whose products are critical to renewable energy applications and national security systems.

The U.S. rare earth supply chain has been decimated by unfair trade practices of foreign competitors. Currently, China dominates the magnet materials industry and has successfully manipulated the rare earth metals market.

Worldwide demand for these materials is escalating rapidly, and over 95% of currently available rare earth mining occurs in China or is controlled by Chinese-led interests. Nevertheless, sizable deposits of the materials exist in the United States and Canada and are available for large scale mining operations.

Chinese rare earth export quotas and taxes have placed U.S. magnet manufacturing at a competitive disadvantage. This has led to an increase in Chinese manufacturing and driven Chinese firms up the value chain. No significant production of rare earth metals takes place today in North America or anywhere outside of China. In addition, experts worry that Chinese domestic demand for rare earth elements could easily equal Chinese production capacity as early as 2012, further limiting material availability in the United States. Additionally, China's Ministry of Industry and Information Technology is calling for a total ban on some rare earth elements in the near future, cutting off the international community's access to vital materials.

The USMMA argues that the ability to domestically manufacture permanent magnets including rare earth magnets and supporting materials is vital to the nation's ability to innovate new technologies, create green jobs, and advance next generation national security systems. The USMMA is committed to providing a long-term reliable source of supply to the North American market.

The USMMA was founded in 2006 by magnet manufacturers Thomas & Skinner, Inc. of Indianapolis, Indiana; Hoosier Magnetics of Ogdensburg, New York; and Electron Energy Corporation of Landisville, Pennsylvania, to advocate on behalf of the specialty metals clause found at 10 U.S.C. 2533b. Thorium Energy, Inc., an American natural resources development company based in Salt Lake City and New York City, joined the organization in September.

USMMA members have successfully advocated for inclusion of a congressionally mandated study of the rare earth supply-chain in the FY10 National Defense Authorization Act. More information on the USMMA can be found at http://www.usmagnetmaterials.com.

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