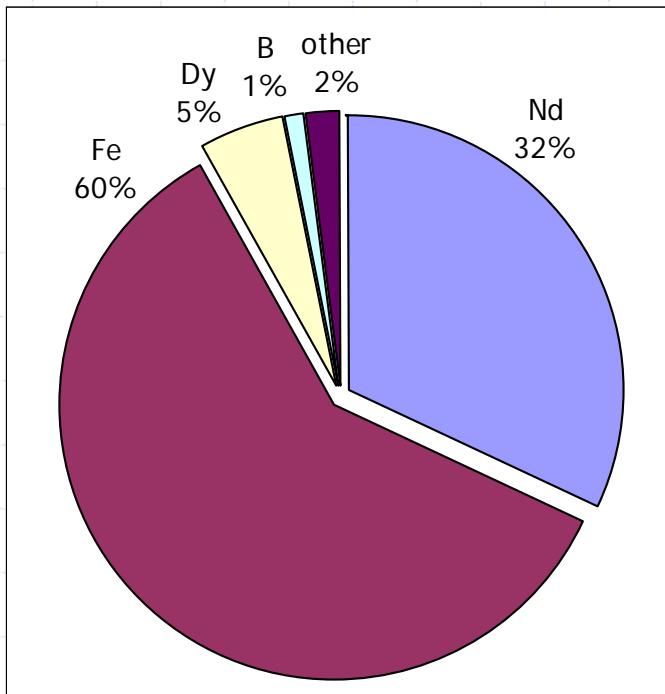


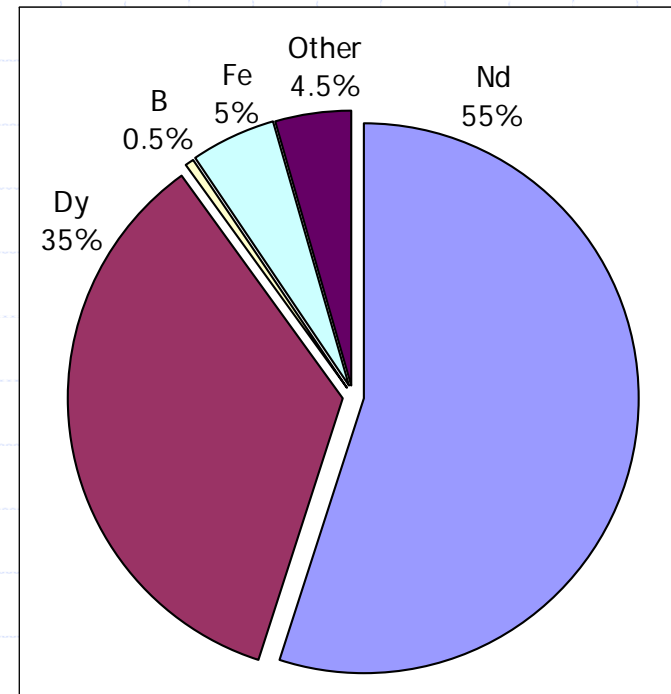
Rare-Earth Material Prices Trends in China - November 2012

AIC Magnetics Ltd.

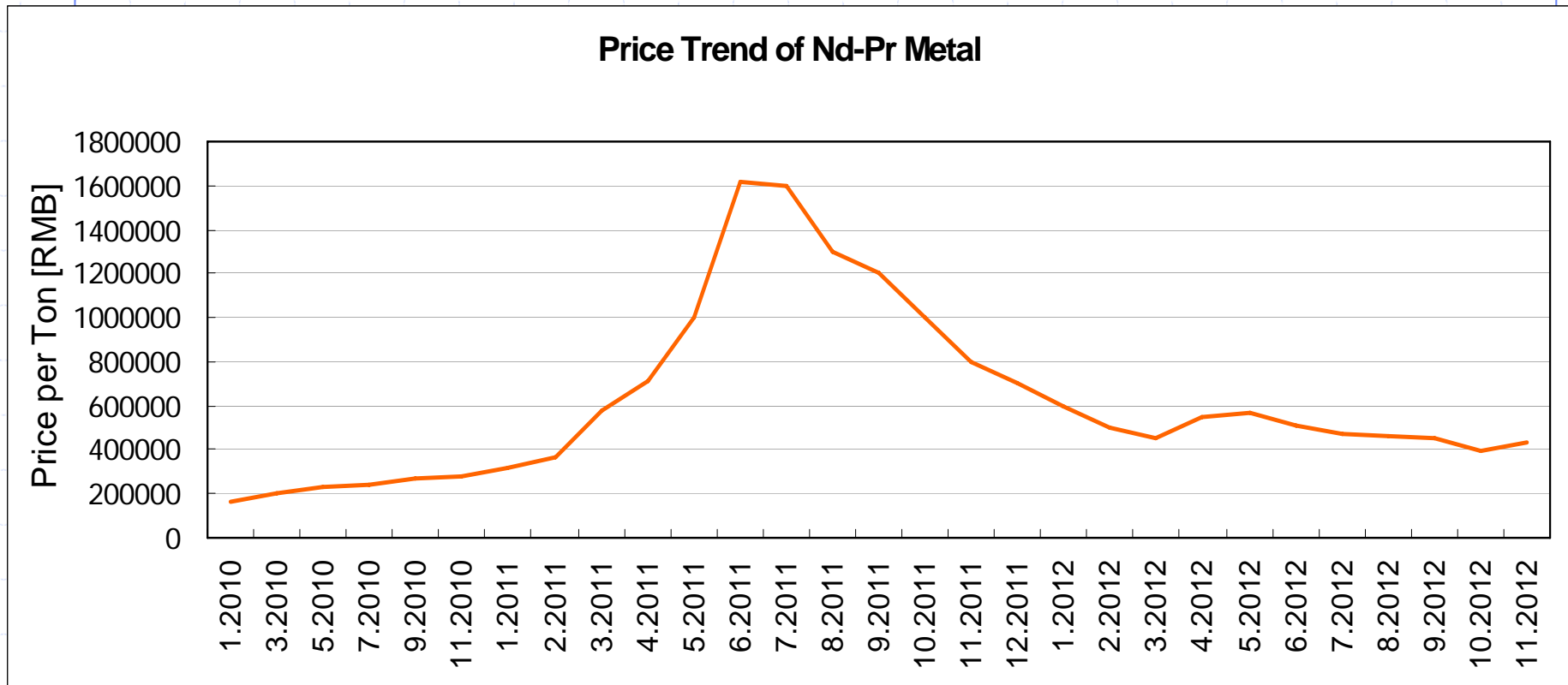
NdFeB Component Analysis



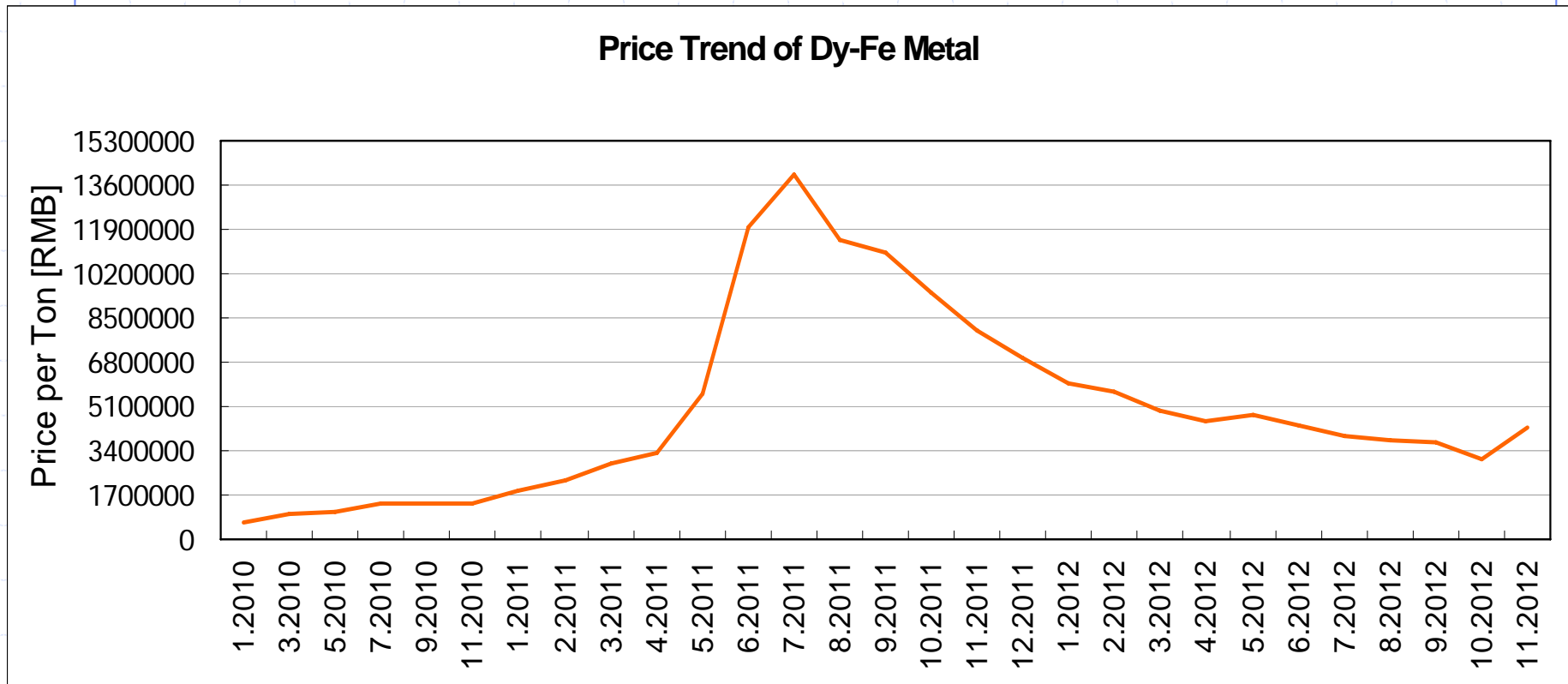
Raw Materials Cost Analysis



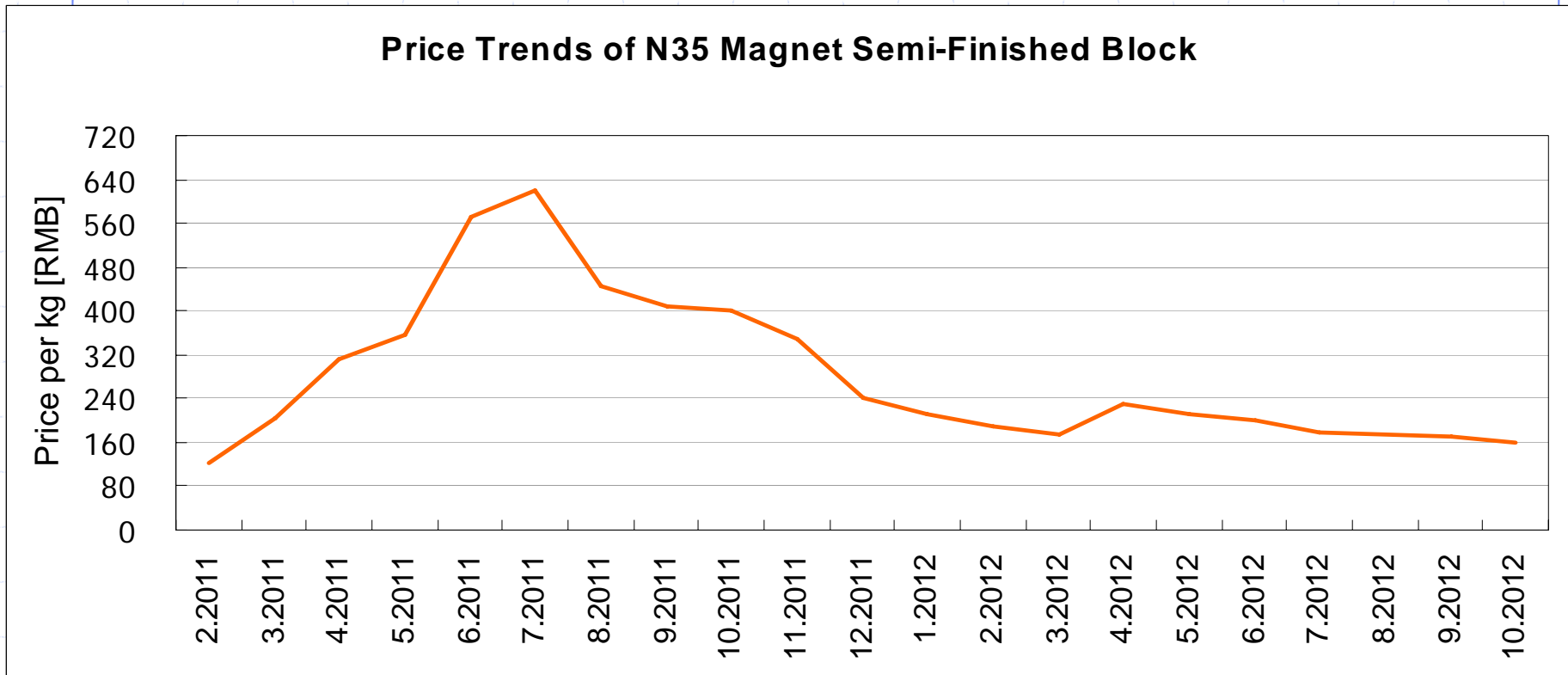
The Dy takes up a large proportion in raw material cost, so its price fluctuation can affect the NdFeB price greatly, even though it takes up only 3% in components, especially in H,SH,UH,EH grade.



After dropping during these months, the Pr-Nd price begin to grow up a little in November, due to many Chinese firms halt rare earth operations.



After dropping during these months, the Dy-Fe price begin to grow up a little in November, due to many Chinese firms halt rare earth operations.



The prices of NdFeB keep stable in these months,
but they tend to rise up again with the rare earth prices arise recently.

Rare Earth Market News

Inner Mongolia Baotou Steel Rare-Earth, one of China's leading rare earth producers, has halted production at some of its smelting and separation operations in an effort to stabilize slumping prices. Aluminum Corporation of China's Jiangsu company confirmed that it has halted operations at four rare earth element (REE) smelting and separation factories.

More Chinese Firms Halt Rare Earth Operations

Rare Earth Investing News

By Adam Currie

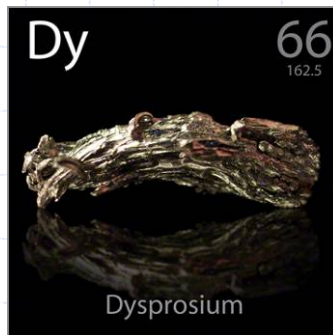
Thursday November 8, 2012, 4:00am PST

Background



Nd - Neodymium

Neodymium magnets are the strongest permanent magnets known – $\text{Nd}_2\text{Fe}_{14}\text{B}$. A neodymium magnet of a few grams can lift a thousand times its own weight.



Dy - Dysprosium

A rare earth element with a metallic silver luster. NdFeB magnets can have up to 6% of the neodymium substituted with dysprosium to raise the coercitive force for demanding applications such as drive motors for hybrid electric vehicles.