



World Eye Reports

# Australia

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## Investing in a 'rare' opportunity

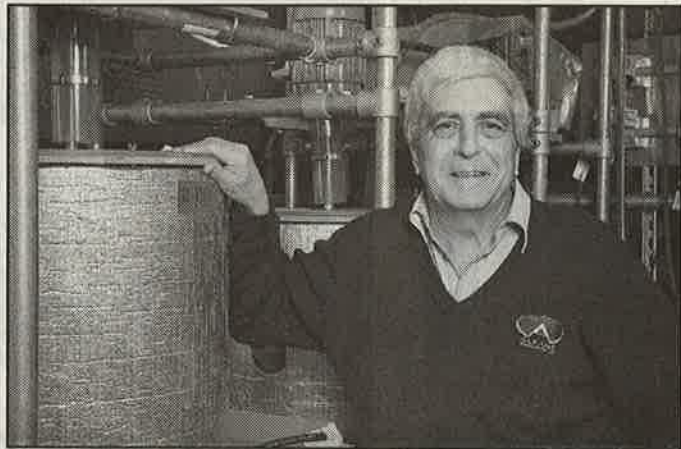
**I**ronically, 'rare earth' metals are not as rare as their name suggests. Metals from this category are relatively plentiful on Earth, though they are often difficult to both recover from ore deposits and transform into useful products.

They are used in a wide range of modern applications in industries such as energy efficiency products, emissions minimization and consumer electronics. The use and consumption of these valuable elements is forecast to grow exponentially in light of today's booming global demand for high-tech applications in devices such as smartphones and energy-efficient lighting.

Demand is even greater in Japan, currently one of the world's largest consumers of rare earth metals. The country's thirst for the resource has made it turn to Australian companies such as Alkane Resources.

"There are many deposits around the world," explains Ian Chalmers, managing director of the Australia-based mining company. "The complication lies in getting the minerals out of the ground and processing them into a form that's marketable and usable for the end consumer."

"For example, we've been developing our Dubbo Zirconia Project in New South Wales for about 12 years already to get it



ALKANE RESOURCES

**Ian Chalmers**, managing director of Alkane Resources

to an advanced stage and enable production of a suite of zirconium, niobium, and light and heavy rare earth products," he explains. "By the end of 2013 we're expecting to have all approvals set for development of a project which could have a life in excess of 100 years. By 2015, we'll be able to commence commercial production of the rare earths and rare metals. From the start, that's 15 years in total."

Aside from its proven strategy, Alkane has another advantage: "We're very pleased with our long-term Japanese partners," Chalmers says. "We had discussions with many companies in the past, but just last July, we were able to solidify a memorandum of understanding with Shin-Etsu Chemical –

a major accomplishment for us which will enable the production of the full suite of separated rare earths."

With the help of Japanese connections such as this, Australian companies like Alkane are looking forward to supplying the Asian giant's demand for these specialty metals.

"We see that Japanese companies are eager to find alternative sources of strategic metals like the heavy rare earths and zirconium, especially with the current uncertainty in world supply," Chalmers says. "In the future, we're confident that Australian companies such as ours will become key allies for Japanese players in these particular sectors." ♦

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