

# Alkane's Chalmers on the supply shortage of rare earths

"Surprisingly the rare earth market still has not shown the jumps that we believe it would have by now. The equity market is still very skeptical of us. I think that is a combination of things. Eventually the customers, the equity market are going to lock on or understand that if we are going down this path, which we all believe we are going, then the demand for rare earth magnets is just going to have to increase dramatically and there is not the supply around at this point in time." States Ian Chalmers, Technical Director of [Alkane Resources Ltd.](#) (ASX: ALK | OTCQX: ANLKY), in an interview with InvestorIntel Corp. CEO Tracy Weslosky.

**Tracy Weslosky:** Ian, the headlines everywhere, we have got U.S.-China trade negotiations happening. We have China and Canada at each other. What is happening with the rare earth market?

**Ian Chalmers:** That is a good question actually. It is pretty hard to summarize in a short space of time. Surprisingly the rare earth market still has not shown the jumps that we believe it would have by now. The equity market is still very skeptical of us. I think that is a combination of things. Eventually the customers, the equity market are going to lock on or understand that if we are going down this path, which we all believe we are going, then the demand for rare earth magnets is just going to have to increase dramatically and there is not the supply around at this point in time. At some point in the not too distant future the market is going to crack and we are going to see some really, really strong interest.

**Tracy Weslosky:** Ian I think we are both getting our updates on what is happening with Lynas for instance from just the general news media. What is your understanding of what is happening right now?

**Ian Chalmers:** My understanding, and again like you I am just getting it from the public domain, is that Lynas had been instructed that they have to come up with a solution to the radioactive waste. Now in the meantime they have stopped production. I understand it was only initially for a month while this review was completed, but they have to come up with an issue to deal with the radioactive waste that is already on site. It is a serious problem, but it is a problem I do not believe the Malaysian government cannot resolve because there is too much outside influence on the Malaysian government. There is a strong relationship between Japan and Malaysia and really a lot of Lynas' product goes to Japan. I think I would be very surprised if the Malaysian government shut down the operation.

**Tracy Weslosky:** I really appreciate the update with that. Speaking of updates, considering the size and the magnitude of your critical material resource, can you give us an update on what is happening with the Dubbo Project?

**Ian Chalmers:** Basically the Dubbo Project is ready to go. We are continuing to work on offtake agreements. We are continuing to work on the finance. One of our major issues is our customers, particularly in the rare earth space keep wanting to see discounts. They want to see discounts to Chinese domestic price. In other words they are saying to us, yeah we will sign an off take contract, but you accept the 7%-8% vet as a discount and you put another small discount on top of that as the Chairman stated at the lead in to our annual general meeting back earlier in November...to access the complete interview, [click here](#)

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